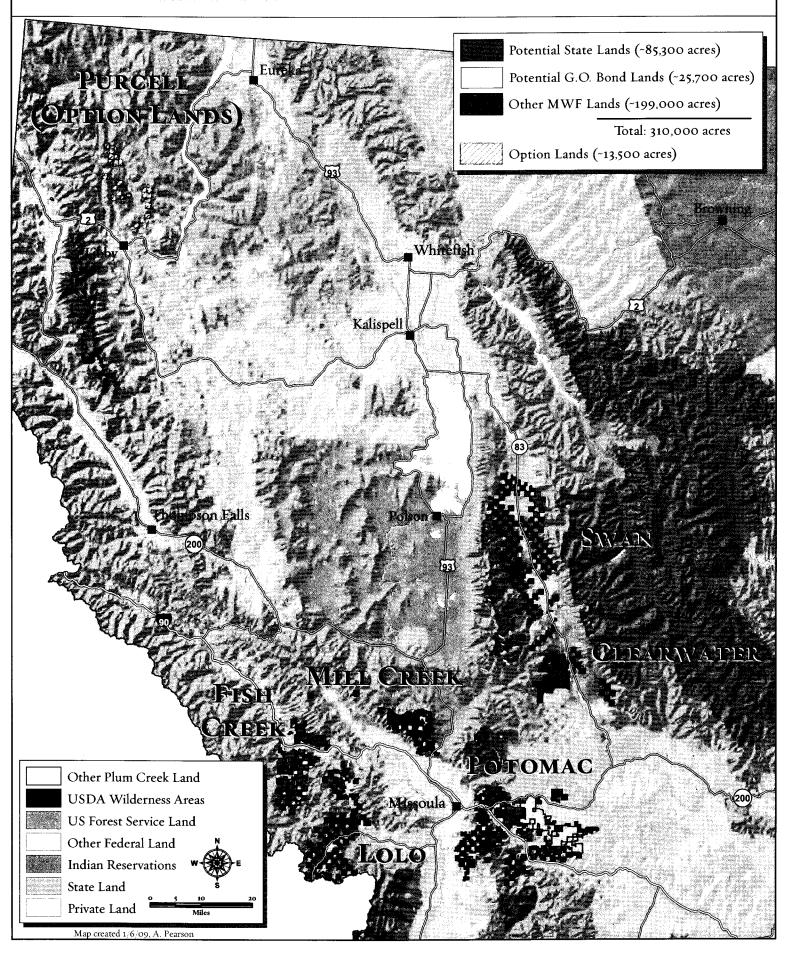
EXHIBIT \_

DATE 1/24/2009



# Montana Working Forests



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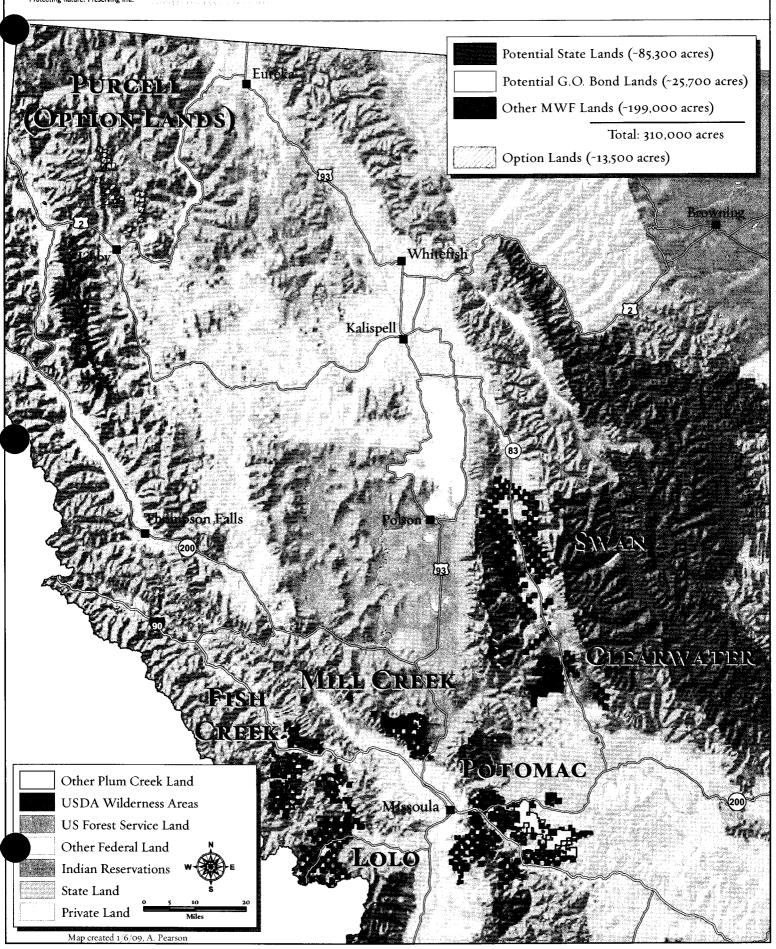
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# MONTANA WORKING FORESTS



A collaborative effort to ensure access, opportunity and a way of life for future generations of Montanans

### Introduction

Montana's vast, working forests are vital to our state's economy, our wildlife and our way of life. Now, the State of Montana has an opportunity to keep these forests intact through the purchase of 111,000 acres of former Plum Creek Timber Company lands in an effort known as the Montana Working Forests Project.

#### Purpose

- Preserve vital wildlife habitat and water resources
- Conserve traditional public access for hunting, fishing, snowmobiling, hiking and other outdoor recreation opportunities
- Keep Montanans working in the woods and timber in local mills

#### **Opportunity**

The state's purchase of these lands, part of the larger 310,000-acre project, is crucial for the preservation of timber harvesting, tourism and recreation – three important drivers of western Montana's economy. State purchase would consolidate ownership and management of these lands in a way that meets community needs and minimizes the high costs of unwise development. These lands could be owned and managed through the Montana Department of Natural Resources and Conservation and the Montana Department of Fish, Wildlife and Parks for the benefit of all Montanans.

#### **Partners**

The partners in this effort, The Nature Conservancy and The Trust for Public Land, reached an agreement earlier this year with Plum Creek to purchase approximately 310,000 acres of timberland for \$500 million. The purchase will take place in three phases, with the first closing scheduled for December 2008 and the final closing in December 2010.

While the Conservancy and TPL will own the lands temporarily, ultimately, all 310,000 acres will be conveyed into a mix of federal, state and private ownership. The 2008 Farm Bill included \$250 million to purchase lands to be owned and managed for the public through the U.S. Forest Service. Many of the lands slated for Forest Service ownership are currently checkerboarded within and adjacent to existing National Forest lands. Lands sold into private ownership will have conservation easements that will restrict undesirable development and provide for sustainable timber harvest and public access.

#### Timber Production

An important part of the overall project is an agreement to provide timber from the project lands to Plum Creek mills. Beginning in 2009, a Fiber Supply Agreement (FSA) between Plum Creek and the purchasing partners will provide for the harvest of approximately 92 million board feet of merchantable timber over a 10-year period. Plum

Creek will be required to pay market prices for the timber and the proceeds from the timber sales will be used to cover the harvesting costs and restoring the land. After the terms of the FSA are satisfied, timber and other wood fiber would then be available to other independent mills. At the current rate of regeneration, approximately 29 million board feet of new timber growth accumulates annually on these lands.

#### Recreation and Conservation

Timber production on these lands is compatible with two other important needs for these lands, recreation and conservation. Plum Creek, during its ownership of these lands, allowed public access for hunting, fishing, hiking and other outdoor recreation. The goal of this project would be to preserve that access for future generations of Montanans. Keeping these lands intact as working forests would also serve to maintain the rich habitat for the area's diverse wildlife.

12-4-08

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# State Acquisitions - Reinvesting in Montana

and is a good investment, especially in these unstable economic times. As Will Rogers said: "Buy land—they ain't making any more of it." The opportunity to purchase a lot of land at one time is a unique opportunity for the state and a wise investment for the long run. As part of the effort known as the Montana Working Forests Project, the State of Montana has the opportunity to acquire 111,000 acres of forest land for \$100 million at an average price of approximately \$900 per acre. Currently, the state values its forest land at an average price of \$1,479 per acre. The state's purchase of these lands would result in the state immediately realizing an appreciation of 50 percent or more in asset value, or about \$50 million

#### Wood Products Industry

State lands are a steady, reliable source of wood for Montana mills. With an additional 111,000 acres of high-quality forest land, the state reinforces its long-term ability to contribute to the timber industry, retains opportunities for Montanans working in the woods, and helps provide income to the schools. Montana's timber industry has experienced tumultuous changes due to a changing marketplace, international competition, mechanization, the pendulum swing of Federal supply and a host of other issues. No one has a crystal ball that can predict the future for the wood products industry in Montana. But it's clear that for social, environmental and economic reasons, Montanans want and need this industry. One need only look at other western states that have lost such an infrastructure to see the adverse consequences. An additional 111,000 acres of working forests held in trust by Montanans for Montanans will help ensure that the state's wood products industry infrastructure survives well into the future.

For any forest lands acquired by the Department of Natural Resources and Conservation (DNRC), a recalculation of the existing sustained yield timber harvest could occur, resulting in as much as 10 million board feet of additional annual harvest from state forest lands (Montana law, codified as MCA 77-5-221 through 77-5-223, governs the re-calculation process). At current timber stumpage values, this equates to approximately \$2 million annually in additional distributable revenue for schools. According to the University of Montana Bureau of Business & Economic Research, an additional annual timber harvest of 10 million board feet could potentially equate to about 230 direct and indirect timber industry and support jobs.

#### Restoration opportunities

Working forests are obviously not just important for the products they provide. Well-managed forests provide valuable services such as protecting clean water, providing for abundant fisheries and creating habitat for wildlife. From an economic perspective, the value of these environmental services can be hard to calculate, but the importance of these resources to Montanans is clear.

Across the western United States and right here in Montana there is a growing and coordinated effort to create a sustainable restoration economy. Restoring forest health and productivity is part of this effort. But this endeavor goes beyond that. Creating a durable restoration economy will require integrating urban, rural and ecological restoration. These lands could play a key role in helping this still young, but rapidly growing, economic engine move forward.

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#### **Recreational Access**

The Montana Working Forests Project seeks to protect the very thing that keeps people living in Montana: our ability to recreate and enjoy the vastness of Big Sky Country. We can go elsewhere and find higher paying work, but would we be able to walk, snowmobile, fish, hunt and ride across a land so big that it puts your whole life in perspective? Our kids don't have to wait for the annual family vacation to watch black bears feeding on fall berries, or toss a line into the water, or set up a tent at the end of the dirt road.

Some of our most precious, and most popular, recreation lands are up for grabs, available at bargain prices to out-of-state buyers who do not share our community values. We have an opportunity to invest in these lands, by Montanans and for Montanans. Places like the valley bottom lands along the Swan River where private development would choke off access and compromise fish habitat, or lands in the Fish Creek watershed, where folks have a chance to see moose, elk and bear while out exploring. They are lands in the foothills above the Potomac Valley that beckon us for a Sunday drive, or maybe an early fall grouse hunt.

Research conducted by the University of Montana Institute for Tourism & Recreation Research shows that these very activities—wildlife watching, day hikes and sightseeing—are the top activities for both non-resident visitors on vacations and for Montanans enjoying the place they choose to live.

For generations, Plum Creek and its predecessors have allowed the public to access its lands for recreational purposes. The Montana Working Forests Project seeks to continue that access for hunting, snowmobiling, berry picking, wildlife viewing, fishing, hiking and other recreation activities Montanans value as part of their outdoor lifestyle.

#### Montana Recreation Revenues

Montana residents and non-residents spent more than \$753 million on hunting and fishing alone in Montana in 2006, according to the U.S. Census Bureau. It is a segment of our economy that requires us to sustain our landscapes by keeping them intact and managing them well. Just one hunting unit in western Montana alone – Unit 292 in the southwestern part of the Blackfoot basin – saw more than 28,000 deer and elk hunter days in 2007. A U.S. Department of Commerce report indicates that each hunting day in Montana produces \$145 in total expenditures—that translates into more than \$4 million dollars in spending by those hunters in Unit 292 in just one autumn's hunting season. More than 50,000 acres of this hunting unit (much of it highly developable) is now available for conservation through the Montana Working Forests Project. State purchase of 111,000 acres of Plum Creek lands would allow continued recreational access along side sustainable timber production, and like other state-owned forest land, timber harvest on these lands is compatible with recreation such as hunting and fishing.

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#### Wildlife & Conservation

Conservation of western Montana's vast forested landscape, home to some of North America's most pristine waters and iconic wildlife, is an important goal for Montana. Keeping these forests intact is not only critical for wildlife, but also for our state's timber and recreation-based economy and our way of life. Montana has a unique opportunity to conserve this important resource by purchasing 111,000 acres of former Plum Creek Timber Company lands and managing them for the benefit of all Montanans.

### Montana's Wildlife Heritage

Montanans agree that our state harbors one of the richest assortments of iconic wildlife species in the lower 48 states. The same wildlife species that Lewis and Clark observed when they explored the region some 200 years ago are still found here today. The region hosts the full complement of North American predators, including grizzly bear, Canada lynx, mountain lion, black bear, wolverine, bobcat, fisher and marten, as well as ample populations of elk, deer, moose and pronghorn. This abundance of wildlife is our heritage, important to our psyche, our livelihoods and future generations of Montanans.

To protect our wildlife populations, we need to prevent fragmentation and degradation of our forests, mountains, valleys, rivers and in-between spaces that provide food and security to our wildlife populations. Unbridled development and sprawl chop up the land expanses our large carnivores need to survive. People need homes, but homes can be built in places that do not directly harm Montana's irreplaceable wildlife. Wildlife and existing communities benefit when we cluster our development, preserving our intact landscapes and keeping our land use options open for the future.

### Montana's Opportunity

Montanans have the chance to protect habitat in several areas important to some of Montana's threatened species. An important area for state land purchase includes the checkerboard lands in the Swan River State Forest, where Canada lynx, grizzly bears, bull trout, and other threatened species have viable and vibrant populations and big game and other wildlife species are free to roam. Also available for state purchase are lands in the Garnet Mountains near Potomac in the Blackfoot Valley and the Seeley Lake area of the Clearwater Drainage. These areas are home to some of the most important Canada lynx populations in the Lower 48. These two areas are separated by Highway 200 and the Potomac Valley, so maintaining a wildlife linkage area here is critical to lynx survival. Another area is Fish Creek in Mineral County. It is *the* highest quality bull trout spawning habitat in the Lower Clark Fork River system, and is a travel route for elk and other wildlife.

Through state ownership, Montanans would preserve working forests and healthy habitat for the area's diverse wildlife. Healthy wildlife habitat is critical not only to our state's recreational economy, but to our way of life. We need to keep Montana Montana so our kids and grandkids will be able to hunt, hike and fish, and enjoy our wild heritage.

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### **Property Taxes**

How will the Montana Working Forests Project impact tax revenues in each of the affected counties?

Headwaters Economics of Bozeman, Montana, a nonprofit regional economic research group, is conducting an analysis to help answer this question. In addition to looking at the project's tax implications, Headwaters is also conducting two in-depth, countywide fiscal impact analyses in Lake and Mineral Counties to determine how much county tax revenues will change, either through state purchase or anticipated growth and development. When completed, the assessment will be peer-reviewed by an independent third party to ensure that it is rigorous and accurate.

Until the final disposition of the lands is worked out, it is impossible to predict the long-term tax picture for each county. What we do know, however, is that if these lands were to be sold on the open market and developed into rural residential subdivisions, the counties would most likely realize a net fiscal loss due to increased costs of services such as roads, fire protection and law enforcement. Whatever the scenario, the partners in the Montana Working Forests Project are committed to working on a county-by-county basis to figuring out specific tax impacts of these choices and finding creative solutions.

#### Montana's Private Forest Land Tax Structure

Montana's forest lands are taxed at a preferential rate based on the productivity class of the timber, not the market value of the land. This is important because it keeps our working lands in business, but also means that local governments receive a smaller tax benefit from timber than from developed land. Tax receipts on Montana forest lands range from \$1.10 to \$1.50 per acre depending on the local mill levy and productivity class.

In addition, forest landowners are assessed a fire protection fee, which provides funding for the Montana Department of Natural Resources and Conservation (DNRC) to suppress wildfires on these private forestlands. This fee is currently \$0.22 per acre for all Plum Creek lands, including those to be acquired through this project.

### State of Montana and Property Taxes

Lands conveyed to the State of Montana, DNRC Trust Land Division, will remain in active timber production, providing jobs in communities and revenue to schools. The lieu portion of tax for state lands is part of county entitlement payments from the state. The DNRC provides direct protection for fire, so its lands are not assessed. To help address the potential revenue shortfall due to state purchase of these lands, The Nature Conservancy and The Trust for Public Land are committing to (1) pay the equivalent amount of taxes that Plum Creek has paid while the land is in interim ownership; and (2) work with each county to examine long term tax implications of this project and try to find creative solutions.

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### **History and Conclusion**

Western Montana's culture is defined by its rugged landscape, snow-capped peaks, rich wildlife and abundant natural resources. Over the last century, hardy men and women cut timber, mined gold and other minerals, built ranching operations and subsisted on the bounty of the land. They hunted, they fished and they worked in the woods. They are part of the lore of the Wild West.

In many parts of the West, this way of life no longer exists. The wood products industry, and the rural tradition and culture that accompany it, is in flux because of national and international economic trends, land management policies, population growth and other factors. As a result, we are witnessing a transformation of western Montana's economic traditions and an erosion of the rural quality of life. Community leaders today are facing difficult choices—like how to deal with the growth that is inevitable—that will affect the character of our communities for decades to come. The Montana Working Forests Project is an effort to provide communities with an opportunity to balance growth and maintain the Montana way of life that we all cherish.

### A complicated history of land ownership

Current trends are influenced by the history of land ownership in the West. In 1864, President Abraham Lincoln granted some 40 million acres of land to the Northern Pacific Railroad to finance railroad construction throughout the West. The "railroad" lands were mixed in a checkerboard pattern with federal lands. In western Montana, ownership of the "railroad" lands eventually went to timber production companies, including Champion International and more recently, Plum Creek Timber Company.

Currently, Plum Creek owns approximately 1.2 million acres of western Montana forest lands, most of it in 640-acre, or one-square-mile, blocks that are intermixed with public lands. This ownership pattern results in stark contrasts in management, timber harvesting, weed control and wildlife habitat across the landscape. One thing that has been consistent is that Plum Creek has provided public access to these lands for recreation.

In recent years, the timber economy has receded and land prices in these scenic areas have skyrocketed as people have moved here to build their dream homes in the woods. In part to capitalize on this trend, Plum Creek reorganized as a Real Estate Investment Trust, essentially converting from a timber to a real estate company.

As a result of this national trend in timberland divestment, public concern has mounted. Many people, from rural residents to county governments and from hunters and fisherman to snowmobilers worry that the logging roads leading into relatively remote mountainous lands could be the pathways for inappropriate housing development. This

trend toward rural, backcountry sprawl is widely recognized as a national phenomenon. In Montana, this trend will lead to the loss of public access for recreation, the loss of working forest, increased costs of providing community services, loss of wildlife habitat, and the undoing of western Montana's rural way of life.

#### Keeping Montana, Montana

Several local, collaborative efforts have attempted to address these threats by purchasing vast amounts of Plum Creek lands and conveying them into traditional uses. In Montana's Blackfoot Valley, a landowner group known as the Blackfoot Challenge worked with The Nature Conservancy and many public and private partners to purchase 89,000 acres of Plum Creek lands. The Challenge wanted to keep the Blackfoot Valley's rural culture and wildlife habitat and knew that the sale and development of these midelevation lands ringing the valley would be the downfall of the area's lifestyle and ranching economy. Currently, these lands are being re-sold to public agencies and private landowners with conservation easements in place to protect current uses of the land.

In the Thompson and Fisher river valleys in northwestern Montana, The Trust for Public Land worked with Montana Fish, Wildlife and Parks to purchase conservation easements from Plum Creek on over 140,000 acres of land. In addition to permanently securing access for the public to hunt, fish, hike, and camp, the easements eliminate all current and future development threats, and carry conditions for maintaining sustainable forestry in the valleys, ensuring that vital timber jobs and the local forest-based economy are not adversely affected.

### Keeping working forests, working

Now a much larger 310,000-acre purchase of Plum Creek land is being worked out. The project's goals are to keep our working forests intact, keep our forests involved in producing timber, and preserve our local economies, wildlife habitat and way of life.

The partners in this project, The Nature Conservancy and The Trust for Public Land, will temporarily own the land, but eventually re-sell it to state and federal agencies and private interests with conservation easements attached. The State of Montana has an opportunity to be a key partner. The Montana Working Forests Project seeks to facilitate the purchase of 111,000 acres of these lands for the benefit of all Montanans.

More than the particular acres involved in the purchase, this project represents a step toward protection of a way life that is disappearing, and it represents a future that honors western Montana tradition and history. Prosperous, healthy communities are maintained by striking an appropriate balance between growth and the preservation of community assets. Working forests convey a multitude of benefits – recreational access to fish, hunt, hike, four-wheel, snowmobile and more; clear rivers, streams and lakes; essential wildlife habitat for an incredible array of animals; a sustainable supply of wood products; a landscape to simply observe and admire. These benefits are only possible through intact forestlands.

An unplanned and scattered handful of homes or subdivisions can fragment a working forest into isolated tracts that prevent recreational access, degrade water quality, destroy wildlife habitat and corridors, disrupt the entire landscape parcel by parcel, and preclude responsible management of forests and timber harvests.

This project would consolidate ownership and management of these lands in a way that meets community needs and preserves the working forests they depend on for recreation, tourism and logging. It also would preserve the low-elevation forests, pristine lakes, wetlands and valleys that serve as wildlife migration routes and seasonal refuges. It's these low elevation lands that are most susceptible to development.

This isn't a wilderness project—but it could have a profound effect on the wild lands and species that depend upon them. It's also not a timber project—but it aims to ensure that these lands, full of potential, remain open for future sustainable management activities and restoration. What this effort does, more than anything else, is provide communities with an opportunity to become involved in the breathtaking challenge of maintaining prosperous, healthy communities.

12-4-08

1	HOUSE BILL NO. 14
2	INTRODUCED BY B. NOONEY
3	BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING
4	
5	A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE CREATION OF STATE DEBT THROUGH THE
6	ISSUANCE OF GENERAL OBLIGATION BONDS; APPROPRIATING THE PROCEEDS OF THE BONDS FOR
7	PURCHASE AND MANAGEMENT OF REAL PROPERTY AND APPURTENANCES FOR SUSTAINABLE
8	FOREST MANAGEMENT, RECREATIONAL USE, AND INCOME-GENERATING POTENTIAL; PROVIDING
9	CONSIDERATIONS FOR THE BOARD OF LAND COMMISSIONERS TO TAKE INTO ACCOUNT WHEN
10	DETERMINING WHETHER TO REQUEST THE ISSUANCE OF BONDS; PROVIDING FOR THE DISPOSITION
11	OF INTEREST AND INCOME; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."
12	
13	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
14	
15	NEW SECTION. Section 1. Public school land acquisition account. (1) There is a public school land
16	acquisition account in the state special revenue fund established in 17-2-102. The account must be administered
17	by the department.
18	(2) Money in the account may be used only for the purpose of purchasing and managing interests in and
19	appurtenances to real property in accordance with [section 2].
20	(3) After deductions are made pursuant to 77-1-109 and 77-1-613, the net interest and income earned
21	on real property and appurtenances purchased with funds from the account must be distributed to the school
22	facility improvement account provided for in 20-9-516.
23	
24	NEW SECTION. Section 2. Public school land purchases considerations distributions. (1)
25	The board may request the board of examiners to issue bonds for the purpose of purchasing interests in and
26	appurtenances to real property selected by the board in accordance with the requirements of this section. Upon
27	issuance of the bonds, the board shall purchase the real property and its appurtenances.
28	(2) Prior to requesting the issuance of bonds under subsection (1), the board shall consider the following:
29	(a) the income-generating potential of the real property and appurtenances;
30	(b) the opportunity for sustainable forest management activities and outcomes as described in 76-13-701



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- (c) the opportunity for recreational use of the real property and appurtenances consistent with Title 77, chapter 1, part 8.
- (3) Prior to requesting the issuance of bonds, the board or the department, at the board's direction, shall complete a cost-benefit analysis of potential real property and appurtenance purchases. This cost-benefit analysis must be made available to the public upon request.
- (4) Prior to purchasing any real property and appurtenances, the board shall determine that the benefits of the purchase are significant and that the financial risks are prudent and are consistent with the board's fiduciary duty as a reasonably prudent trustee of a perpetual trust. For the purposes of this section, that duty requires the board to:
- (a) discharge its duties with the care, skill, prudence, and diligence that a prudent person acting in a similar capacity with the same resources and familiar with similar matters should exercise in the conduct of an enterprise of similar character and aims;
- (b) diversify the land holdings purchased pursuant to [section 1] and this section pursuant to an asset management plan to minimize the risk of loss and maximize the sustained rate of return;
  - (c) discharge its duties and powers solely in the interest of and for the benefit of the trust; and
  - (d) discharge its duties subject to the fiduciary standards set forth in 72-34-114.
- (5) All interests in real property and appurtenances acquired under this section must be managed pursuant to Title 77, chapters 1 through 6.

NEW SECTION. Section 3. Authorization of bonds. Upon request of the board of land commissioners, the board of examiners is authorized to issue and sell general obligation bonds in an amount not exceeding \$21 million for the purchase of interests in and appurtenances to real property described in [section 2] in addition to the amount of general obligation bonds outstanding on January 1, 2009. The proceeds from the bonds sold under this section must be deposited in the public school land acquisition account established in [section 1]. The bonds must be issued in accordance with the terms and in the manner required by Title 17, chapter 5, part 8.

NEW SECTION. Section 4. Appropriation of bond proceeds. Up to \$21 million is appropriated to the board of land commissioners from the public school land acquisition account from the proceeds of the bonds authorized in [section 3] for the purchase of interests in and appurtenances to real property by the board as



authorized in [section 2].
NEW SECTION. Section 5. Codification instruction. [Sections 1 and 2] are intended to be codified
as an integral part of Title 77, chapter 1, part 2, and the provisions of Title 77, chapter 1, part 2, apply to [sections
1 and 2].
NEW SECTION. Section 6. Two-thirds vote required. Because [section 3] authorizes the creation of
state debt, Article VIII, section 8, of the Montana constitution requires a vote of two-thirds of the members of each
house of the legislature for passage.
NEW SECTION. Section 7. Effective date. [This act] is effective on passage and approval.
- END -





### Fiscal Note 2011 Biennium

Bill #	HB0014		Title: General	obligation bonds for state g	government
Primary Sponsor	: Nooney, Bill		Status: As Introd	luced	
***					
☐ Significar	nt Local Gov Impact	☐ Needs to be include	ed in HB 2	Technical Concerns	
☑ Included in the Executive Budget		☐ Significant Long-Te	erm Impacts	Dedicated Revenue Form	m Attached
		FISCAL S	SUMMARY		
		FY 2010	FY 2011	FY 2012	FY 2013
		<b>Difference</b>	<b>Difference</b>	<b>Difference</b>	<b>Difference</b>
<b>Expenditures:</b>					
General Fund		\$515,909	\$945,193	\$1,716,487	\$1,720,718
State Special		\$0	\$0	\$0	\$0
Bond Proceed	ds	\$10,500,000	\$10,500,000	\$0	\$0
Revenue:					
General Fund	l	\$0	(\$3,200)	(\$3,200)	(\$6,400)
State Special	Revenue	\$0	(\$202)	(\$202)	\$258,346
Bond Proceed	ds	\$10,500,000	\$10,500,000	\$0	\$0
Net Impact-Ge	eneral Fund Balance:	(\$515,909)	(\$948,393)	(\$1,719,687)	(\$1,727,118)

### **Description of fiscal impact:**

HB 14 allows the Board of Land Commissioners to request the Board of Examiners issue and sell general obligation bonds to generate up to \$21 million for the purchase of fee simple interests in real property.

#### FISCAL ANALYSIS

#### **Assumptions:**

#### **Department of Natural Resource and Conservation**

- 1. For the purposes of this fiscal note, it is assumed that all lands purchased are forested and legally accessible.
- 2. The Common Schools will be the sole beneficiary and revenue generated from timber harvest will be deposited in the School Facilities Improvement Account.
- 3. Land purchases will occur in two transactions of the same size. Each will purchase approximately 12,500 acres at \$800 per acre. Exact acreage and price will depend on available funds.
- 1. The first land purchase will occur in the late summer of 2009 with the first bond payment in February 2012. The second land purchase will occur in the spring of 2011 with first bond payment in August 2012.

- 5. In addition, land acquisition costs (appraisals, environmental review) are estimated at \$5 per acre (\$65,500) for FY 2010 and FY 2011.
- 6. The land purchased will be combined with all other forested state trust lands and managed under the State Forest Land Management Plan (SFLMP) and all applicable laws and administrative rules (ARM 36.11.401–450). There are currently 481,797 classified forest state trust land acres.
- 7. The lands purchased will have a similar productive capacity and proportion of productive and nonproductive lands as existing forested state trust lands in the Northwestern Land Office and Southwestern Land Office.
- 8. The addition of these lands will result in an immediate and proportional increase in the sustained yield consistent with the most recent sustained yield study. The total acres purchased will be 25,000 acres, which results in a proportional increase in the annual sustained yield of approximately 2.25 million board feet (MMBF). (25,000 ac x 150 BF/ac/yr x .60 harvest of growth = 2.25 MMBF/yr).
- 9. The 3-year average stumpage value is \$230/MBF. Therefore, the additional annual sustained yield volume of 2.25 MMBF from the additional 25,000 acres would have an estimated value of \$517,500 annually (2.25 MMBF x \$230/MBF = \$517,500).
- 10. The additional revenue from the first half of the total acquisition (12,500 acres) will be realized beginning FY 2013. This is due to the time that lapses between selling timber and harvesting the timber, which is approximately 18 months. Timber revenue in FY 2013 is estimated to be \$258,750.
- 11. Additional revenue will be deposited into the School Facility Account MCA 20-9-516.

#### **Department of Administration**

12. Debt Service Costs on the bond repayment schedule is shown in the chart below.

FY	Total P&I on Series 2009	Total P&I on Series 2011	Total Debt Service
2010	\$423,409		\$423,409
2011	\$852,693		\$852,693
2012	\$848,953	\$864,335	\$1,713,287
2013	\$848,729	\$865,589	\$1,714,318

13. Issuance cost of bonds will be \$92,500 in FY 2010 and FY2011.

#### **Department of Revenue**

14. For property tax purposes each tract of property to be purchased are valued using the Department of Revenue's forestland valuation schedules at the average grade for zone 1 forest land (Northwest Montana) based on TY 2008 forest land productivity value of \$769.85 per acre at the Class 10 property tax rate (0.35%) for a taxable value of \$33,680 for each tract (12,500 acres X\$769.85 X 0.0035 = \$33,680). Property is assessed as of January 1 each year and revenue is received in the following fiscal year. The revenue is reduced in FY 2011 and the second tract in FY 2013. The General fund loss of revenue will be \$3,200 per year per tract (\$33,680 X 0.095 mills = \$3,200). The university system loss in state special six mill levy is \$202 per tract purchase (\$33,680 X 0.006 mills = \$202).

	FY 2010 <u>Difference</u>	FY 2011 <u>Difference</u>	FY 2012 Difference	FY 2013 <u>Difference</u>
Fiscal Impact:	<u>Difference</u>	<u> </u>		
Department of Administration	[·			
Expenditures:				
Debt Service	\$423,409	\$852,693	\$1,713,287	\$1,714,318
Bond Issuance Costs	\$92,500	\$92,500	\$0_	\$0
TOTAL Expenditures	\$515,909	\$945,193	\$1,713,287	\$1,714,318
Funding of Expenditures:				
General Fund(01)	\$515,909	\$945,193	\$1,713,287	\$1,714,318
Department of Revenue				
Revenues:				
General Fund Property Tax	\$0	(\$3,200)	(\$3,200)	(\$6,400)
State Special Revenue	\$0	(\$202)	(\$202)	(\$404)
-	Φ.	(\$2,200)	(\$3,200)	(\$6,400)
TOTAL Expenditures	\$0	(\$3,200)	(\$5,200)	(ψο, του)
Department of Natural Resour			(\$3,200)	(\$\psi_0, 100)
Department of Natural Resour Expenditures:	rces and Conservati	on		
<b>Department of Natural Resour Expenditures:</b> Operating Expenses (02)	rces and Conservati	on \$65,500	\$0	\$0
Department of Natural Resour Expenditures:	rces and Conservati	on		
Department of Natural Resour Expenditures: Operating Expenses (02) Capital Purchase-Land TOTAL Expenditures	s65,500 \$10,434,500	on \$65,500 \$10,434,500	\$0 \$0	\$0 \$0
Department of Natural Resour Expenditures: Operating Expenses (02) Capital Purchase-Land	s65,500 \$10,434,500	on \$65,500 \$10,434,500	\$0 \$0	\$0 \$0
Department of Natural Resour Expenditures: Operating Expenses (02) Capital Purchase-Land TOTAL Expenditures Funding of Expenditures:	\$65,500 \$10,434,500 \$10,500,000	\$65,500 \$10,434,500 \$10,500,000	\$0 \$0 \$0	\$0 \$0 \$0_
Department of Natural Resour Expenditures: Operating Expenses (02) Capital Purchase-Land TOTAL Expenditures  Funding of Expenditures: Bond Proceeds (05)	\$65,500 \$10,434,500 \$10,500,000	\$65,500 \$10,434,500 \$10,500,000	\$0 \$0 \$0	\$0 \$0 \$0_
Department of Natural Resour Expenditures: Operating Expenses (02) Capital Purchase-Land TOTAL Expenditures  Funding of Expenditures: Bond Proceeds (05)  Revenues:	\$65,500 \$10,434,500 \$10,500,000 \$10,500,000	\$65,500 \$10,434,500 \$10,500,000 \$10,500,000	\$0 \$0 \$0 \$0	\$0 \$0 \$0 \$0 \$0 \$258,750 \$0
Department of Natural Resour Expenditures: Operating Expenses (02) Capital Purchase-Land TOTAL Expenditures  Funding of Expenditures: Bond Proceeds (05)  Revenues: State Special Revenue (02)	\$65,500 \$10,434,500 \$10,500,000 \$10,500,000	\$65,500 \$10,434,500 \$10,500,000 \$10,500,000 \$0	\$0 \$0 \$0 \$0	\$0 \$0 \$0 \$0 \$0 \$258,750
Department of Natural Resour Expenditures: Operating Expenses (02) Capital Purchase-Land TOTAL Expenditures  Funding of Expenditures: Bond Proceeds (05)  Revenues: State Special Revenue (02) Bond Proceeds (05)	\$65,500 \$10,434,500 \$10,500,000 \$10,500,000 \$10,500,000 \$10,500,000 \$10,500,000	\$65,500 \$10,434,500 \$10,500,000 \$10,500,000 \$0 \$10,500,000 \$10,500,000	\$0 \$0 \$0 \$0	\$0 \$0 \$0 \$0 \$0 \$258,750 \$0
Department of Natural Resour Expenditures: Operating Expenses (02) Capital Purchase-Land TOTAL Expenditures  Funding of Expenditures: Bond Proceeds (05)  Revenues: State Special Revenue (02) Bond Proceeds (05) TOTAL Revenues	\$65,500 \$10,434,500 \$10,500,000 \$10,500,000 \$10,500,000 \$10,500,000 \$10,500,000	\$65,500 \$10,434,500 \$10,500,000 \$10,500,000 \$0 \$10,500,000 \$10,500,000	\$0 \$0 \$0 \$0	\$0 \$0 \$0 \$0 \$0 \$258,750 \$0
Department of Natural Resour Expenditures: Operating Expenses (02) Capital Purchase-Land TOTAL Expenditures  Funding of Expenditures: Bond Proceeds (05)  Revenues: State Special Revenue (02) Bond Proceeds (05) TOTAL Revenues  Net Impact to Fund Balance (1	\$65,500 \$10,434,500 \$10,500,000 \$10,500,000 \$10,500,000 \$10,500,000 \$10,500,000	\$65,500 \$10,434,500 \$10,500,000 \$10,500,000 \$0 \$10,500,000 \$10,500,000 ding of Expenditur	\$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	\$0 \$0 \$0 \$0 \$0 \$258,750 \$0 \$258,750

#### **Effect on County or Other Local Revenues or Expenditures:**

1. The local government impact will be a total loss of per tract based on the average consolidate local mills of 394 mills for forestland or \$13,370 per tract per year (\$33,680 X 0.394 =\$13,270).

### **Long Term Impacts:**

1. The School Facility Account will have a new ongoing revenue stream. Additional revenue of \$517,500 will be deposited in to the School Facility Account for each year after FY 2013.



# Fairbank, Maslin, Maullin & Associates

Opinion Research & Public Policy Analysis

TO:

**Interested Parties** 

FROM:

David Metz

Fairbank, Maslin, Maullin & Associates

Lori Weigel

**Public Opinion Strategies** 

RE:

Key Findings from Statewide Survey on the Montana Working Forests Project

DATE:

October 6, 2008

The bipartisan research team of Fairbank, Maslin, Maullin & Associates (D) and Public Opinion Strategies (R) recently conducted a statewide survey of Montana voters to assess their attitudes toward the Montana Working Forests Project. The results of the survey show strong support, with a 57-percent majority of voters in favor of the Project and supporters outnumbering opponents by well over a two-to-one margin. Support for the Project cuts across demographic and geographic lines within the state electorate, and increases as voters learn more about it. In addition, the survey results show strong voter support for State participation in funding the Project.

Among the specific detailed findings of the survey are the following:

• Montana voters offer strong support for the Montana Working Forests Project. Survey respondents were offered the following description of the Project, and were asked to indicate whether they would support or oppose it:

"The Project is an effort to conserve roughly 320 thousand acres of privately-owned forest land in western Montana, part of one of the largest intact natural areas and wildlife habitats in the continental United States. The Project would have three main goals:

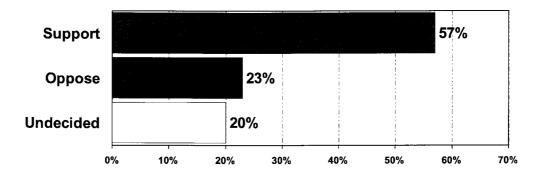
- ✓ *Keep sustainable harvesting operations in the forest and timber in our mills;*
- ✓ Conserve traditional access for hunting, fishing, snowmobiling and hiking; and
- ✓ Preserve vital wildlife habitat and water resources.

Non-profit conservation organizations would buy the land from the Plum Creek Timber Company for a price of \$510 million. These non-profit organizations would then sell

\$250 million worth of land to the federal government, and \$100 million worth to the State of Montana. The remaining land would be sold to private owners who would agree to permanently conserve the land for sustainable timber harvesting."

As shown in **Figure 1**, the Project begins with solid majority support, with 57 percent in favor and 23 percent opposed.

FIGURE 1: Initial Support for the Montana Working Forests Project



Voters' backing for the Project cuts across subgroups within the Montana electorate: it has the support of majorities of men and women; voters under age 50 and those older; and Democrats, independents and Republicans. The Project also garners broad support among sportsmen, including:

- ✓ 64% of voters who frequently hunt or fish;
- ✓ 64% of voters who frequently snowmobile; and
- ✓ 56% of voters who frequently use motorized off-road vehicles.

It also has support across geographic areas of the state, as shown in Figure 2.

FIGURE 2: Initial Support for the Montana Working Forests Project, by Media Market

Media Market	Support	Oppose	Undecided
Butte-Bozeman	63%	17%	20%
Missoula	61%	23%	16%
Billings	54%	24%	22%
Great Falls	52%	30%	18%
Other	56%	22%	21%

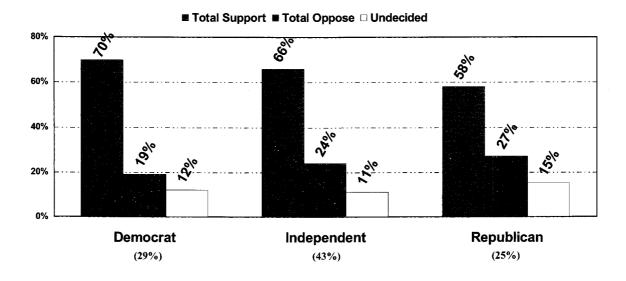
• As voters learn more about the Montana Working Forests Project, their support increases. Survey respondents were offered a series of messages from the Project's supporters, and then were asked a second time whether they backed the Project. As illustrated in Figure 3, this information led nearly two-thirds of those polled to express support for the Project – an increase of seven points. This finding suggests that as the Project's supporters work to acquaint voters with its terms, public support is likely to grow.

FIGURE 3: Impact of Information on Support for the Montana Working Forests Project

Position	Initial Description	After Messages	Difference
Support	57%	64%	+7%
Oppose	23%	22%	-1%
Undecided	20%	14%	-6%

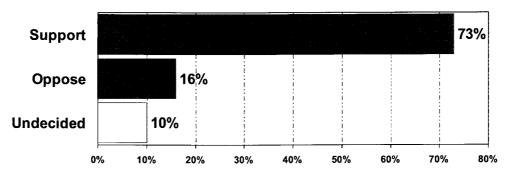
It is also striking that once voters hear more about the Project's details and potential benefits, there are on minimal partisan differences in support: 70 percent of Democrats, 66 percent of independents and 58 percent of Republicans indicate their support, as shown in **Figure 4** below.

FIGURE 4:
Informed Support for the Montana Working Forests Project
(By Party)



• Voters welcome State involvement in funding the Montana Working Forests Project. The poll asked respondents to indicate whether they thought the State of Montana should "spend State dollars to buy some of the Montana Working Forests Project land, and then manage the land to benefit the school trust while also providing for recreational access and clean water and wildlife habitat." As Figure 5 makes clear, more than seven in ten voters welcome such State involvement in the Project.

FIGURE 5: Support for Spending State Money on Buying Working Forests Project Land (Split Sampled)



Taken together, the survey results reflect a strong base of voter support for the Montana Working Forests Project, support that is likely to grow over time as voters learn more about it.

Methodology: From September 3-7, 2008, Fairbank, Maslin, Maullin & Associates and Public Opinion Strategies completed 600 interviews with Montana voters who are likely to cast ballots in the November 2008 election. The margin of sampling error for the full sample is +/- 4.0%; margins of error for subgroups within the sample will be larger.

Public Opinion Strategies (POS) is a survey research company specializing in political and public policy research, with offices in Washington, Denver and Los Angeles. Founded in 1991, the firm has conducted more than three million interviews with voters and consumers in all fifty states and over a dozen foreign countries, including more than 1,600 focus groups. In the last four election cycles, Public Opinion Strategies has helped elect over 63 new Republican members of the U.S. House, more than any other polling firm, Democratic or Republican. Their political client base includes 18 U.S. Senators, eight Governors, over fifty Members of Congress, and numerous state legislative caucuses.

Fairbank, Maslin, Maullin & Associates (FMM&A) has specialized in public policy-oriented opinion research since the company was first organized in 1981. With permanent offices in Los Angeles, Oakland, and Madison, Wisconsin, the firm conducts research for Democratic political candidates, for ballot measure campaigns, and for businesses, non-profits, and government agencies across all fifty states and also in other countries. FMM&A has conducted literally thousands of focus groups and surveys throughout its two-decade history. The firm conducts research for candidates at all levels of the ballot – from Presidential candidates like Howard Dean and Bill Richardson to races for City Council. FMM&A has also provided research and strategic guidance to well over 100 successful statewide ballot measure campaigns.

In partnership, FMM&A and POS collaborate on over a dozen bipartisan research projects each year. The team has worked in over half the United States, from Alaska to Florida, conducting research on land conservation, political reform, immigration, health care, education, and other critical issues. Collectively, the firms have conducted dozens of survey and focus group projects in Montana over the past decade.



# Land Acquistion Financial Appraisal

Land Information

Project Name: Montana Legacy Project Phase 1
Land Office: SWLO
Date: 1/6/2009
Preparer Jordan Larson

Results		20 Year Analysis	60 Year Analysis	Assumptions	
Potomac Acquisition					
26,900 acres	Income Return	1.36%	1.98%	1 Timber value/MBF	\$230
	Total Return	6.36%	6.98%	2 AUM value	\$8.25
				3 Purchase price/acre	\$800
	Net present value			4 AUM capacity	844
	of income stream	\$3,062,695	\$5,667,683	5 CPI	3%
				6 Discount Rate	4%
				7 Appreciation	5%



### **Land Acquistion Financial Appraisal**

Land Information		Notes
Project Name:	Montana Legacy Project (Phase 1)	
Land Office		
Date	1/7/2009	
Preparer	Jordan Larson	
Parcel name:	Potomac acquisition	
County		
Township, Range, Section		
Acres	26,900	
Appraised Value	\$21,520,000	
Annual Income		
Annual Expense		
Apprecation Rate		
Discount Rate		
CPI Inflation	3.00%	

Time			Cash	Flow		Activities	Value and	Income	Cash Flow And	alysis	Equity An	alysis
	Years (t)	Operating Income	Operating Expense	Other Income	Other Expense	Description of Activity	Asset Value	Net Income	NPV	Income Return	Capital Return	T Re
												(F
	0	\$0	\$0		* 1981 1		\$21,520,000	\$0	\$0	0.00%	0.00%	0
	1	\$7,172	\$52			844 AUM's @ \$8.25/AUM, \$50 license manage	ement	\$7,120	\$6,836	0.03%	5.00%	5
	2	\$7,387	\$53		\$1,000	Weed spraying along interior roads		\$6,334	\$5,837	0.03%	5.00%	5
	3	\$7,609	\$55				1	\$7,554	\$6,683	0.04%	5.00%	5
	4	\$7,837	\$56					\$7,781	\$6,608	0.04%	5.00%	5
	5	\$8,072	\$58	\$1,356,600	\$647,700	Harvest 5.1 MMBF @ \$266/MBF with cost of \$127	/MBF	\$716,914	\$584,552	3.33%	5.00%	8
<u> </u>	6 7	\$8,314 \$8,564	\$60 \$61		\$150,000	Per-commercial thin 1000 acres at \$150/acre	ı	-\$141,746 \$8,502	-\$110,952 \$6,389	-0.66% 0.04%	5.00% 5.00%	4 5
2	8	\$8,821	\$63				1	\$8,757	\$6,317	0.04%	5.00%	5
2	9	\$9,085	\$65					\$9,020	\$6,247	0.04%	5.00%	5
₹	10	\$9,358	\$67	\$1,575,900	\$749,700	Harvest 5.1 MMBF @ \$309/MBF with cost of \$147	/MBF	\$835,490	\$555,461	3.88%	5.00%	8
20 Year Analysis	- 11	\$9,638	\$69	, ,	** ***			\$9,569	\$6,107	0.04%	5.00%	5
2	12	\$9,928	\$71					\$9,856	\$6,039	0.05%	5.00%	5
ă	13	\$10,225	\$73					\$10,152	\$5,971	0.05%	5.00%	5
	14	\$10,532	\$76				I	\$10,457	\$5,905	0.05%	5.00%	5
		\$10,848	\$78 ************************************					\$10,770	\$5,838	0.05%	5.00%	5
4.844	16 17	\$11,174 \$11,509	\$80 \$83				I	\$11,093 \$11,426	\$5,773 \$5,708	0.05% 0.05%	5.00% 5.00%	5
	18	\$11,854	\$85					\$11,769	\$5,708 \$5,644	0.05%	5.00%	5
		\$12,210	\$88	\$4.030.000	\$1.920.000	Harvest 10 MMBF @ \$403/MBF with cost of \$192/	MBF	\$2,122,122	\$977,066	9.86%	5.00%	14
	20	\$12,576	\$90			Harvest 10 MMBF @ \$415/MBF with cost of \$198/		\$2,182,486	\$964,664	10.14%	5.00%	15
	21	\$12,953	\$93	\$4,270,000		Harvest 10 MMBF @ \$427/MBF with cost of \$204/		\$2,242,860	\$951,696	10.42%	5.00%	15
	22	\$13,342	\$96					\$13,246	\$5,396	0.06%	5.00%	5
	23	\$13,742	\$99			ł		\$13,643	\$5,335	0.06%	5.00%	5
	24	\$14,154	\$102					\$14,053	\$5,276	0.07%	5.00%	5
	25 26	\$14,579	\$105					\$14,474	\$5,216	0.07% 0.07%	5.00% 5.00%	5
	20 27	\$15,016 \$15,467	\$108 \$111					\$14,909 \$15,356	\$5,158 \$5,100	0.07%	5.00%	Ę
	28	\$15,931	\$114					\$15,816	\$5,043	0.07%	5.00%	Ę
	29	\$16,409	\$118					\$16,291	\$4,987	0.08%	5.00%	Ę
	30	\$16,901	\$121					\$16,780	\$4,931	0.08%	5.00%	5
	31	\$17,408	\$125					\$17,283	\$4,876	0.08%	5.00%	5
	32	\$17,930	\$129					\$17,802	\$4,821	0.08%	5.00%	5
	33	\$18,468	\$133					\$18,336	\$4,767	0.09%	5.00%	5
	34 35	\$19,022 \$19,593	\$137					\$18,886	\$4,714 \$4,661	0.09% 0.09%	5.00% 5.00%	5
	36	\$20,181	\$141 \$145					\$19,452 \$20,036	\$4,661 \$4,609	0.09%	5.00%	5
	37	\$20,786	\$149					\$20,637	\$4,557	0.10%	5.00%	5
60 Year Analysis	38	\$21,410	\$154					\$21,256	\$4,506	0.10%	5.00%	ŧ
ê	39	\$22,052	\$158					\$21,894	\$4,455	0.10%	5.00%	Ę
ŧ.	40	\$22,714	\$163					\$22,550	\$4,406	0.10%	5.00%	5
8	41	\$23,395	\$168					\$23,227	\$4,356	0.11%	5.00%	5
۳	42	\$24,097	\$173					\$23,924	\$4,307	0.11%	5.00%	
8	43	\$24,820	\$178				l	\$24,642	\$4,259	0.11%	5.00%	;
	44 45	\$25,564 \$26,331	\$184 \$189			1	l	\$25,381	\$4,212 \$4,164	0.12% 0.12%	5.00% 5.00%	Ę
	45 46	\$26,331	\$189 \$195				l	\$26,142 \$26,926	\$4,164 \$4,118	0.12%	5.00%	
	47	\$27,935	\$201				l	\$27,734	\$4,072	0.13%	5.00%	į
	48	\$28,773	\$207				l	\$28,566	\$4,026	0.13%	5.00%	
	49	\$29,636	\$213				l	\$29,423	\$3,981	0.14%	5.00%	5
	50	\$30,525	\$219				l	\$30,306	\$3,936	0.14%	5.00%	į
	大人 化化乙烷基化	\$31,441	\$226			1		\$31,215	\$3,892	0.15%	5.00%	5
	52 52	\$32,384	\$233				1	\$32,152	\$3,849 \$3,86	0.15%	5.00%	
	53 54	\$33,356 \$34,356	\$240 \$247			1	1	\$33,116 \$34,110	\$3,806 \$3,763	0.15% 0.16%	5.00% 5.00%	;
	55	\$35,387	\$247 \$254			1	i	\$35,133	\$3,763 \$3,721	0.16%	5.00%	
	56	\$36,449	\$262				l	\$36,187	\$3,679	0.17%	5.00%	į
	57	\$37,542	\$270				l	\$37,272	\$3,638	0.17%	5.00%	į
	58	\$38,668	\$278	\$10,216,000	\$4,880,000	Harvest 8 MMBF @ \$1277/MBF with cost of \$610/	MBF I	\$5,374,391	\$503,571	24.97%	5.00%	29
	59	\$39,828	\$286		\$5,032,000	Harvest 8 MMBF @ \$1315/MBF with cost of \$629/	MBF	\$5,527,542	\$497,204	25.69%	5.00%	30
	60	\$41,023	\$295	\$10,840,000	\$5,184,000	Harvest 8 MMBF @ \$1355/MBF with cost of \$648/	MBF	\$5,696,729	\$491,926	26.47%	5.00%	31
	AL			Comment of		20 v	ear analysis	\$5,855,428	\$3,062,695	1.36%	5.00%	6.
	431	Section of Parkets				#####################################				~ 173 <i>6</i> 740 <i>8</i> 74788	anagramas (Militaria)	0.00

# Return on Assets Montana State Trust Lands

Fiscal Year 2007



# Trust Land Management Division Mission

Manage the State of Montana's trust land resources to produce revenues for the trust beneficiaries while considering environmental factors and protecting the future income-generating capacity of the land

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### **ABBREVIATIONS AND ACRONYMS**

ACB	Montana State University 2nd grant
ACI	Montana State University Morrill grant
CS	Common Schools
DB	School for the Deaf & Blind
PB	Public Buildings
SM	(M Tech) School of Mines
SNS	State Normal Schools
SRS	State Reform Schools
UM	(UNIV) University of Montana
	•
CLO	Central Land Office
NWLO	Northwest Land Office
ELO	Eastern Land Office
SLO	Southern Land Office
<b>NELO</b>	Northeast Land Office
SWLO	Southwest Land Office
DNRC	Montana Department of Natural Resources and Conservation
<b>TLMD</b>	Trust Land Management Division
<b>AGMB</b>	Agriculture and Grazing Management Bureau
<b>FMB</b>	Forest Management Bureau
MMB	Mineral Management Bureau

Forest Improvement Program

**REMB** 

FI

MCA

Real Estate Management Bureau

WSLCA Western States Land Commissioners Association

along with natural gas prices which resulted in an overall reduction of Mineral Management Bureau (MMB) revenue in FY 2007. Grazing lease rates and some commodity prices increased in FY 2007 leading to overall higher revenue for the Agriculture and Grazing Management Bureau (AGMB). In total, the four bureaus generated less gross revenue in FY 2007 compared to record earnings in FY 2006.

#### **II. Production and Prices**

Commodity prices were generally lower in FY 2007. Oil and gas production and prices were down slightly for the year, but remain strong compared to historical averages. While coal production was up, prices were down compared to FY 2006. Therefore, overall mineral revenue and production for the year was lower in FY 2007 compared to FY 2006.

Similarly, FMB stumpage prices and harvest levels were down in FY 2007 compared to previous years. In FY 2007, 32.1 million board feet of timber was harvested from state trust lands compared to 55.0 million board feet in FY 2006. Purchasers curtailed harvesting due to lower demand and prices for finished lumber and panel products. This has created a backlog of unharvested volume going into FY 2008. While depressed markets are likely to last through FY 2008, harvest volumes and overall revenue is expected to be slightly higher than FY 2007.

AGMB prices and production were mixed with an overall increase in both agriculture and grazing revenue. While overall AGMB revenue was slightly higher in FY 2007, production of barley, wheat, and hay fell from the previous year.

The REMB gross revenue increased significantly this year due to higher residential lease lot fees associated with higher appraised property values and an increase in other easement, license, and lease fees. Revenue from land sales associated with the land banking program was also up for the year. This revenue, however, is not part of the REMB revenue used in the Return on Asset calculation since it is used to purchase replacement lands. While land sale revenue is deducted from REMB's overall revenue for the year, costs associated with the land banking program are expensed against current year revenue which may have a small, short-term negative impact on REMB's Return on Asset value but should result in higher returns over the long-term from the newly acquired lands.

While AGMB and REMB revenues were higher in FY 2007, the overall TLMD revenue was down from FY 2006 due to lower mineral and timber revenues for the year.

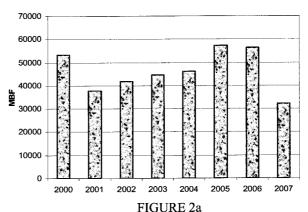
#### - Timber

Figure 2a shows the timber harvested from bid sales and permits for FY 2000 to FY 2007. Timber harvests fluctuate from year to year depending on current price, expected future price, episodic events such as fires, and availability of logs from other sources. As FY 2007 shows, harvest levels for the year were down significantly due to depressed demand and prices for lumber and panel products.

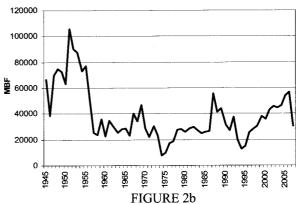
Figure 2b shows the historic harvest level on state trust lands from 1945 to the present. Harvest levels have ranged from a high of 105 million board feet (1951) to a low of 8 million board feet (1974) with current harvest levels within this range.

#### - Agriculture and Grazing

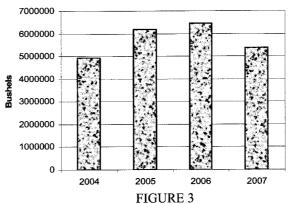
Figure 3 shows wheat production over the last four years. Wheat is the most abundant crop harvested on state trust Wheat production levels are lands. nearly nine times that of the next two highest agricultural commodities, barley and hay. Crop harvest levels are important because they impact the market lease rates for agricultural land. Compared to FY 2006, agricultural production commodity was approximately 16 percent for barley and wheat and 8 percent for hay in FY 2007.



Timber Harvest on Montana State Trust Lands Source: MT DNRC (2007)



Timber Harvest 1945-2007 Source: MT DNRC (2007)



Wheat Harvest on Montana State Trust Lands Source: MT DNRC (2007)

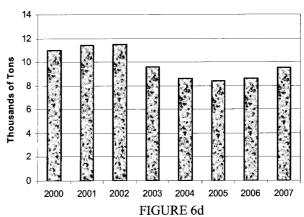
#### - Coal

Figure 6d illustrates the prices received for coal produced from state lands. Coal prices on state trust land increased 10.6 percent in FY 2007. With increasing costs of other energy alternatives, long-term forecasts are for stable or slightly increasing coal prices.

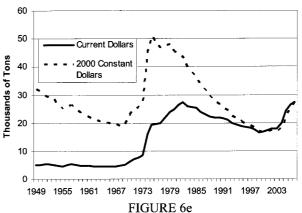
Figure 6e shows long-term coal prices. Similar to the price of oil, coal prices increased dramatically in the '80s then decreased until 2002 when prices began to rise. Unlike oil however, the long-term real price of coal is declining slightly. In recent years, this has created declining profits for coal producers since real costs have continued to increase. Part of the reason for the decline is that the coal industry at the producer level is much more competitive with market prices generally set by supply and demand. If oil prices remain high, additional demand for coal as a substitute for petroleum and natural gas in some uses could improve prices for coal.

#### -Timber

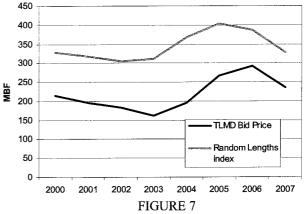
Figure 7 contrasts the Random Lengths composite lumber price index with the average stumpage bid price received by the state for timber sold from FY 2000-FY 2007. The Random Lengths index is a wholesale composite index price that reflects both national and regional lumber prices. In FY 2004, prices increased strongly which continued into FY 2005. In FY 2006 and 2007, the Random Lengths price declined while the average stumpage bid price for timber sold by the bureau



Coal Production on Montana State Trust Lands Source: MT DNRC (2007)



Coal Prices on Montana State Trust Lands Source: U.S. EIA(2007)



Stumpage Bid Prices on Montana State Trust Lands Source: MT DNRC (2007), Random Lengths (2007)

<sup>&</sup>lt;sup>3</sup> This does not include funds collected for the Forest Improvement Program.

lagged slightly behind. The price decrease exhibited in the 2007 *Random Lengths* index reflects the current wholesale market. Decreases in the wholesale market are primarily a result of a slowdown in new home construction and increased foreign timber imports.

#### III. Revenue, Expenses, and Asset Appreciation

The TLMD rate of return on assets is calculated using the Western States Land Commissioners Association (WSLCA) formula:

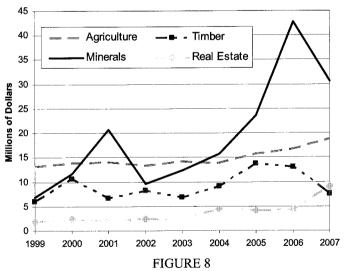
(Gross Revenue – Management & Development Expense) +
(Ending Asset Value – Beginning Asset Value)

Beginning Asset Value

This financial metric is not intended to represent income flow to the trusts, but the annual realized return of a specific asset class or all asset classes combined. Appreciation in land values cannot be used to fund school expenditures, but is considered part of the total return on an asset. Increased land values contribute to the revenue of the trusts only after they are captured through sale or increased rental or lease rates. While passive and non-market values and benefits such as open space for recreation, habitat for wildlife, and other ecosystem services affect trust land, it is difficult to monitor their influence over time on revenue streams and land values. The scope of this report remains one of monetary value related to the trusts and does not attempt to quantify these non-market values.<sup>4</sup>

#### A. Revenue

Revenue generating activities on trust lands includes timber sales, mineral sales and leases. agricultural sales and leases, and real estate sales and leases. Figure 8 shows contributions from each source for the last nine years. On average, minerals generated the of largest amount revenue. followed in order by agriculture, timber, and real estate. Even with the drop in natural gas production in FY 2007, mineral revenues remain strong relative to the other sources. As discussed previously, timber harvest levels and revenues



Trust Gross Revenue by Bureau 1999-2007
Source: MT DNRC (2007)

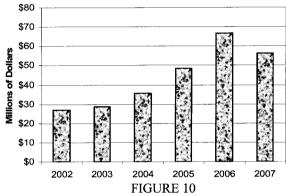
<sup>&</sup>lt;sup>4</sup> The introduction of non-market values would primarily affect the asset values and returns on lands with recreational and/or ecological significance.

TABLE 6

FY 2007 Trust Net Revenu	a by I and	Office and Trust
FY 2007 Trust Net Revenu	e by Land	Office and Trust

			***					
Trust	CLO	ELO	NELO	NWLO	SLO	SWLO	Total	(%)
ACB	21,129	122	1,739	128,522	816	707,349	859,677	1.5%
ACI	109,056	848	146,521	52,782	12,737	5,854	327,798	0.6%
CS	7,006,571	18,234,929	14,656,522	6,510,517	5,556,381	900,808	52,865,729	93.9%
DB	143,358	0	33,761	107,261	1,083	14,331	299,794	0.5%
PB	357,062	5,304	64,939	139,499	9,484	223,466	799,755	1.4%
SM	151,312	540	96,757	350,584	34	5,090	604,316	1.1%
SNS	56,547	5,543	46,747	17,497	893	3,246	130,474	0.2%
SRS	132,158	12,339	36,217	37,904	15,103	64,256	297,976	0.5%
UM	63,397	24,840	41,132	0	643	2,608	132,620	0.2%
Total	8,040,590	18,284,466	15,124,336	7,344,566	5,597,174	1,927,007	\$56,318,139	100.0%
<u>(%)</u>	14.3%	32.5%	26.9%	13.0%	9.9%	3.4%	100.0%	

Figure 10 displays net revenues from FY 2002 to FY 2007. Revenue shifted from \$66,839,000 in FY 2006 to \$56,318,139 in FY 2007. This change represents a 15 percent decrease in annual net revenue. However, FY 2007 was comparably better than years prior to FY 2006, remaining 15 percent higher than FY 2005 net revenue.



#### Trust Net Revenue 2002-2007 Source: MT DNRC (2007)

### D. Asset Value and Appreciation

Total asset value represents the sum of all asset values from each of the revenue-earning activities associated with trust lands. Detail on these estimates can be found in the *Appendix*. The following tables display only results from the aggregation of TLMD surface activities.<sup>9</sup>

*Table 7* shows the total surface acreage by land office and trust. This information is used to prorate assets when they cannot be directly allocated from revenue and other data. Adjustments were made to the acreage distribution table in FY 2007 following a series of land sales, acquisitions, and reclassifications.<sup>10</sup>

<sup>&</sup>lt;sup>9</sup> From this point forward subsurface (mineral) activities are not included in the analysis. Generally, mineral values must be estimated from methods which parameterize multiple unknown variables. The large number of unknown variables makes it difficult to achieve a reliable year-to-year subsurface value estimation.

<sup>&</sup>lt;sup>10</sup> Sub columns in *Table 7* and *Table 8* do not include 1,257.61 acres belonging to Veteran's Home. These acres are only included in the count of total surface acreage (5,158,258).

TABLE 7
FY 2007 Surface Acres by Land Office and Trust

		1 2007 5	urrace Acr	cs by Lanc	Office at	ia Trast		
Trust	CLO	ELO	NELO	NWLO	SLO	SWLO	Total	(%)
ACB	9,497	0	0	12,261	0	9,665	31,424	0.6%
ACI	37,552	480	14,925	3,425	3,578	3,495	63,455	1.2%
CS	976,855	1,223,735	1,651,059	225,244	374,371	175,842	4,627,647	89.7%
DB	22,778	2,600	3,860	8,627	0	1,195	39,061	0.8%
PB	100,026	1,524	14,126	40,697	0	30,616	186,991	3.6%
SM	25,521	228	18,585	11,240	0	3,867	59,440	1.2%
SNS	30,991	723	17,609	10,205	0	3,926	63,454	1.2%
SRS	46,634	201	11,155	1,309	3,249	4,988	67,535	1.3%
UM	3,680	2,694	9,435	248	480	1,437	17,973	0.3%
Total	1,253,535	1,232,185	1,740,753	313,255	381,678	235,031	5,158,258	100.0%
<u>(%)</u>	24.3%	23.9%	33.7%	6.1%	7.4%	4.6%	100.0%	<u> </u>

Table 8 shows acreage by land office and revenue-generating activity. The largest share of trust lands, both surface and subsurface (minerals), exists in the Northeastern Land Office (NELO).

TABLE 8.

FY 2007 Classified Acres by Bureau and Land Office

	1 1	2007 C1as	Silicu Aci	cs by Duic	au anu La	na Omice	,	
Bureau	CLO	ELO	NELO	NWLO	SLO	SWLO	Total	(%)
Agriculture	123,621	78,153	350,454	776	18,616	1,074	572,693	11.1%
Grazing	1,083,793	1,153,786	1,389,176	14,368	360,870	80,807	4,082,800	79.2%
Forest Mgmt.	31,028	0	800	296,302	0	152,418	480,548	9.3%
Mining Mgm	1,761	1,020	2,439	354	444	283	6,301	0.1%
Real Estate	15,093	245	1,599	1,809	2,192	733	21,671	0.4%
Surface Total	1,253,535	1,232,185	1,742,028	313,255	381,678	235,031	5,158,258	100.0%
(%)	24.3%	23.9%	33.8%	6.1%	7.4%	4.6%	100.0%	

Estimated asset values for regional surface lands by trust are exhibited in *Table 9* and *Table 10* for FY 2006 and FY 2007, respectively. These asset values are based on all surface sources and adjusted for possible use conflicts.

TABLE 9
FY 2006 Asset Values by Land Office and Trust

	1 1 2000 Asset Values by Land Office and Trust									
Trust	CLO	ELO	NELO	NWLO	SLO	SWLO	Total	(%)		
ACB	9,786,270	0	0	19,764,769	0	12,220,273	41,771,311	1.2%		
ACI	32,431,548	156,960	7,724,439	5,562,688	2,135,511	4,643,681	52,654,826	1.5%		
CS	837,083,281	402,680,030	868,479,119	372,522,841	224,715,345	241,531,053	2,947,011,669	85.3%		
DB	19,970,343	863,045	2,019,826	13,860,643	0	1,380,345	38,094,201	1.1%		
PB	87,843,930	498,476	7,304,886	64,819,072	0	34,154,491	194,620,854	5.6%		
SM	22,056,121	74,677	9,642,216	19,299,904	0	4,197,955	55,270,874	1.6%		
SNS	25,118,202	236,372	9,394,542	16,387,449	0	4,327,968	55,464,534	1.6%		
SRS	42,955,201	98,388	5,764,436	2,065,540	1,877,812	5,658,085	58,419,462	1.7%		
UM	3,032,959	899,640	4,880,737	449,505	277,440	1,650,758	11,191,039	0.3%		
Total	1,080,277,853	405,507,587	915,210,202	514,732,411	229,006,108	309,764,609	\$3,454,498,769	100.0%		
(%)	31.3%	11.7%	26.5%	14.9%	6.6%	9.0%	100.0%	*		

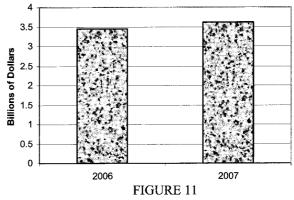
TABLE 10 FY 2007 Asset Values by Land Office and Trust

Trust	CLO	ELO	NELO	NWLO	SLO	SWLO	Total	(%)
ACB	10,243,170	0	0	20,950,655	0	12,835,370	44,029,195	1.2%
ACI	34,021,309	163,238	8,033,416	5,897,012	2,241,498	4,899,244	55,255,717	1.5%
CS	878,179,656	418,782,082	903,155,580	395,206,670	235,864,203	254,960,697	3,086,148,888	85.3%
DB	20,941,925	897,567	2,100,619	14,692,282	0	1,449,362	40,081,754	1.1%
PB	92,118,084	518,415	7,597,082	68,708,216	0	35,889,106	204,830,903	5.7%
SM	23,131,883	77,664	10,027,679	20,465,099	0	4,408,542	58,110,867	1.6%
SNS	26,363,846	245,827	9,767,198	17,370,696	0	4,545,056	58,292,623	1.6%
SRS	44,949,825	101,941	5,994,831	2,189,472	1,971,703	5,940,989	61,148,762	1.7%
UM	3,183,573	935,625	5,075,967	478,445	291,312	1,735,994	11,700,916	0.3%
Total	1,133,133,272	421,722,359	951,752,373	545,958,546	240,368,715	326,664,360	\$3,619,599,625	100.0%
(%)	31.3%	11.7%	26.3%	15.1%	6.6%	9.0%	100.0%	

All methods for establishing asset values for surface resources have been updated in this FY 2007 report. The most significant update includes the removal of subsurface values from the aggregate asset value estimation. For comparative purposes, FY 2007 methodologies have been applied to FY 2006 as shown in *Table 9*. The values in this table will not match those reported in the FY 2006 Return on Assets Report because of the FY 2007 method changes.

Figure 11 demonstrates the relative increase in asset value from last year. Total surface asset value increased from approximately \$3.45 billion in FY 2006 to \$3.62 billion in FY 2007, a relative increase of 4.9 percent.

For the past two years, surface values for each land class have been determined by applying average market land values and appreciation rates within each land office.



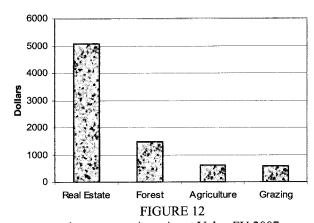
Montana State Trust Lands Asset Value
Source: MT DNRC (2007)

Agricultural land valuations continue to be based on information from sales and from expertise on land values both within and outside the division. Previously, agricultural land values were based on the "2000 Agricultural Lands Appraisal" prepared by the Montana Department of Revenue for assessing property tax on agricultural properties. Estimates will be updated each year to reflect changes in the market for agricultural lands. Timber land values have been updated to reflect new information about the values of timber land gained from actual sales and acquisition combined with bureau and land office expertise on land values. Timber asset values and appreciation for the legislatively mandated return assessment (MCA 77-1-223) are based on an alternative method (MCA 15-44-103).

Asset values grow annually when increases in resource and land prices are observed. For real estate, increases in residential lease prices correspond to rising demand for recreational housing. In the case of agriculture and forest lands, asset values reflect

growing conditions, market demand for food and wood inputs, and competing economic uses for the landscape. Due to real estate and commercial development potential, some agriculture and forest land asset values in Montana have grown disproportionate to their resource related cash flows. When land prices rise due to development potential, this can tighten regional natural resource industries by increasing market entry costs and exit incentives.

Figure 12 displays the average asset value per acre by management bureau. The comparatively large asset value per acre for the REMB (\$5,069) is the result of the substantial proportion of the REMB acreage existing in the high value per acre commercial and residential lots. Forestry, agriculture, and grazing lands operated by the TLMD have average per-acre values of \$1,479, \$627, and \$596, respectively.



The total return shown in Table 11 includes net revenue and an asset

Average per Acre Asset Value FY 2007 Source: MT DNRC (2007)

appreciation when appropriate. In all cases, appreciation of the asset exceeds the direct earnings from surface activities.

TABLE 11
FY 2007 Total Return by Land Office and Trust

	1 1 2007 Total Return by Land Office and Trust								
Trust	CLO	ELO	NELO	NWLO	SLO	SWLO	Total	(%)	
ACB	468,152	55	1,694	1,318,170	367	1,329,135	3,117,572	1.6%	
ACI	1,643,358	6,660	382,032	388,554	115,401	258,197	2,794,201	1.5%	
CS	45,826,586	19,398,983	42,581,192	29,271,880	12,248,087	14,367,688	163,694,416	85.0%	
DB	1,063,461	34,522	114,900	940,991	1,098	81,920	2,236,891	1.2%	
PB	4,581,291	23,043	335,594	4,030,908	4,264	1,945,308	10,920,407	5.7%	
SM	1,224,351	3,230	452,086	1,516,653	15	214,331	3,410,666	1.8%	
SNS	1,299,396	9,767	409,857	1,000,634	401	219,972	2,940,028	1.5%	
SRS	2,066,891	11,481	262,680	163,263	101,064	342,625	2,948,004	1.5%	
UM	214,111	54,433	232,912	28,940	14,161	86,672	631,229	0.3%	
Total	58,387,597	19,542,173	44,772,946	38,659,992	12,484,857	18,845,849	\$192,693,415	100.0%	
(%)	30.3%	10.1%	23.2%	20.1%	6.5%	9.8%	100.0%		

This year's total return cannot effectively be compared to prior years. Again, this is due to changes in methodologies and the removal of mineral values from the aggregate estimates.

Table 12 shows the rate of return on assets for all trust lands. The total return statewide in FY 2007 is 5.6 percent. Since appreciation contributes a greater proportion than revenue of the total return, lands with higher appreciation rates will tend to have higher rates of return. Unusually high rates of return can indicate a one-time occurrence or

windfall. The overall distribution of assets tends to be more accurate than the detail distribution, which depends heavily on land ownership patterns.

TABLE 12
FY 2007 Rate of Return on Asset by Land Office and Trust

F 1 2007 Rate of Return on Asset by Land Office and Trust								
CLO	ELO	NELO	NWLO	SLO	SWLO	Total		
4.8%	0.0%	0.0%	0.0%	0.0%	10.9%	7.5%		
5.1%	4.2%	4.9%	7.0%	5.4%	5.6%	5.3%		
5.5%	4.8%	4.9%	7.9%	5.5%	5.9%	5.6%		
5.3%	0.0%	5.7%	0.0%	0.0%	0.0%	5.9%		
5.2%	4.6%	4.6%	0.0%	0.0%	5.7%	5.6%		
5.6%	4.3%	4.7%	7.9%	0.0%	5.1%	6.2%		
5.2%	4.1%	4.4%	0.0%	0.0%	5.1%	5.3%		
4.8%	11.7%	4.6%	0.0%	5.4%	0.0%	5.0%		
7.1%	6.1%	4.8%	6.4%	5.1%	5.3%	5.6%		
5.4%	4.8%	4.9%	7.5%	5.5%	6.1%	5.6%		
	CLO 4.8% 5.1% 5.5% 5.3% 5.2% 5.6% 5.2% 4.8% 7.1%	CLO         ELO           4.8%         0.0%           5.1%         4.2%           5.5%         4.8%           5.3%         0.0%           5.2%         4.6%           5.6%         4.3%           5.2%         4.1%           4.8%         11.7%           7.1%         6.1%	CLO         ELO         NELO           4.8%         0.0%         0.0%           5.1%         4.2%         4.9%           5.5%         4.8%         4.9%           5.3%         0.0%         5.7%           5.2%         4.6%         4.6%           5.6%         4.3%         4.7%           5.2%         4.1%         4.4%           4.8%         11.7%         4.6%           7.1%         6.1%         4.8%	CLO         ELO         NELO         NWLO           4.8%         0.0%         0.0%         0.0%           5.1%         4.2%         4.9%         7.0%           5.5%         4.8%         4.9%         7.9%           5.3%         0.0%         5.7%         0.0%           5.2%         4.6%         4.6%         0.0%           5.6%         4.3%         4.7%         7.9%           5.2%         4.1%         4.4%         0.0%           4.8%         11.7%         4.6%         0.0%           7.1%         6.1%         4.8%         6.4%	CLO         ELO         NELO         NWLO         SLO           4.8%         0.0%         0.0%         0.0%         0.0%           5.1%         4.2%         4.9%         7.0%         5.4%           5.5%         4.8%         4.9%         7.9%         5.5%           5.3%         0.0%         5.7%         0.0%         0.0%           5.2%         4.6%         4.6%         0.0%         0.0%           5.6%         4.3%         4.7%         7.9%         0.0%           5.2%         4.1%         4.4%         0.0%         0.0%           4.8%         11.7%         4.6%         0.0%         5.4%           7.1%         6.1%         4.8%         6.4%         5.1%	CLO         ELO         NELO         NWLO         SLO         SWLO           4.8%         0.0%         0.0%         0.0%         10.9%           5.1%         4.2%         4.9%         7.0%         5.4%         5.6%           5.5%         4.8%         4.9%         7.9%         5.5%         5.9%           5.3%         0.0%         5.7%         0.0%         0.0%         0.0%           5.2%         4.6%         4.6%         0.0%         0.0%         5.7%           5.6%         4.3%         4.7%         7.9%         0.0%         5.1%           5.2%         4.1%         4.4%         0.0%         0.0%         5.1%           4.8%         11.7%         4.6%         0.0%         5.4%         0.0%           7.1%         6.1%         4.8%         6.4%         5.1%         5.3%		

#### IV. Summary

Table 13 and Table 14 provide returns by bureau and asset class including the Trust and Legacy Fund as reported by the Board of Investments Annual Report. Table 13 separates out the relative contribution of net revenue and appreciation in each bureau. A larger portion of total return comes from appreciation. The annual rate of return from revenue and land appreciation is 0.8 percent and 4.8 percent, respectively.

TABLE 13 FY 2007 Trust Returns by Bureau<sup>11</sup>

Source	Net Revenue	Net Revenue /	Appreciation	Appreciation /	Total Return	Annual Rate
		Assets		Assets		of Return
Agriculture	\$9,634,225	2.8%	\$15,053,322	4.4%	\$24,687,548	7.2%
Grazing	7,693,518	0.3%	107,586,112	4.6%	115,279,630	4.9%
Forest Mgmt	2,389,619	0.4%	37,908,044	5.6%	40,297,662	6.0%
Real Estate	7,875,199	7.3%	4,553,378	4.2%	12,428,576	11.5%
Total	\$27,592,561	0.8%	\$165,100,856	4.8%	\$192,693,416	5.6%
Source	2007 Year-End		Annual	Annual		Annual Rate
	Balance		Increase	Increase	Annual Income	of Return
Trust and Legacy Fund*	\$428,153,530		\$4,999,795	1.2%	\$26,474,491	6.2%

<sup>\*</sup>Source: Montana Board of Investments Annual Report (2007)

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<sup>&</sup>lt;sup>11</sup> Trust resources are not managed in the same manner as privately held resources. In addition to providing revenue, other social and political issues are considered in most economic decisions associated with managing trust assets. Consequently, evaluating trust performance solely on the basis of the rate of return without considering all of the goals and objectives of trust asset management could lead to inaccurate conclusions about the "financial" management of trust assets.

Table 14 shows the estimated annual return by WSLCA asset classification and compares these values with the Trust and Legacy Fund annual return and mean government bond absolute returns.

At the aggregate level it is useful to identify an alternative return, representing the cost of capital. Such a return can be used to test the efficiency of each asset class. Principally, asset classes which improve on the designated alternative return can be thought of as adding economic value to the trusts.

There are certain caveats in concern of identifying the right alternative return to use for this efficiency test. For one, some components of land investments are inflationless, or real, such as timber growth. For a proper comparison of these inflationless components with an alternative return, the return must first be adjusted for inflation.

A second caveat relates to the deviation of annual returns from long-term trends. Multiyear mean returns are generally more appropriate in the evaluation of assets as they help identify and neutralize the influence of outlier annual returns.<sup>12</sup> In the case of the Trust and Legacy Fund, which is invested entirely in bonds, the long-term government bond return is representative of the funds long-term trend.

TABLE 14
FY 2007 Trust Returns by WSLCA Asset Class

Asset Class	Surface Acres	2006 Asset Value	Net Revenue	Appreciation	2007 Return			
Agriculture (Dryland)	562,222	\$317,592,632	\$9,224,331	\$13,176,055	7.1%			
Agriculture (Irrigated)	10,471	26,721,577	409,894	1,870,510	8.5%			
Range Lands	4,082,800	2,329,095,699	7,693,518	107,586,112	4.9%			
Forest Lands	480,548	672,853,048	2,389,618	37,908,044	6.0%			
Real Estate (Commercial)	5,583	62,108,379	6,668,431	2,632,348	15.0%			
Real Estate (Residential)	1,870	34,697,850	1,126,172	1,470,604	7.5%			
Real Estate (Conservation)	14,218	11,260,656	80,595	450,426	4.7%			
Total	5,157,712	\$3,454,329,841	\$27,592,560	\$165,094,098	5.6%			
Trust and Legacy Fund* 0		\$423,153,735	\$26,474,491	\$0	6.2%			
Long-Term Government Bonds**								
Intermediate-Term Government Bonds**  5.39								

\*Source: Montana Board of Investments Annual Report (2007)

\*\*Source: Ibbotson December Market Report (2006)

<sup>&</sup>lt;sup>12</sup> This year's return from commercial real estate is elevated due to a one time easement payment.



### LAKE COUNTY

106 4th Ave. E.

Polson, Mt. 59860

November 13, 2008

Montana House of Representatives State Capitol PO Box 200400 Helena, MT 59620-0400

For nearly ten years, the Lake County Commissioners have supported the on-going land conservation efforts in the Swan Valley. These local efforts by our constituents have been focused on the maintenance of our forest resources and the avoidance of dispersed rural subdivision and development in the Valley. The County has actively participated in the Swan Lands Coordinating Committee and has developed land use policies that further resource conservation and address the significant costs of providing local services to residential development in this area of our county.

We have been informed of the MT Legacy Project and our staff has participated in an analysis of the financial implications of the project. We believe that it is a complementary extension of the conservation work accomplished thus far in the Swan Valley. In particular, Lake County strongly supports the Montana Working Forests proposal for State acquisition of certain lands in the northern part of the Valley.

The Swan River State Forest is a productive forest managed by the MT Department of Natural Resources and Conservation (DNRC). However, the checkerboard ownership pattern of these State lands with Plum Creek lands adversely affects efficient land management for the variety of resource values present. Additionally, the conversion of private forestlands to subdivision and development would not only further hinder forest management on public lands, but would degrade habitat resources and connectivity, disrupt the outdoor recreation opportunities currently enjoyed by the public, and significantly increase the costs of providing services to the area (especially sheriff and fire protection services).

This Montana Working Forests proposal represents a singular opportunity to address the problems associated with the historic checkerboard ownership pattern. We believe it recognizes the significant resource values in the Swan Valley and will further logical land use within the area of the Swan River State Forest. Through this acquisition and consolidation of State ownership, the Montana Working Forests proposal will help maintain the important resource, conservation, social and economic values of the Valley.

By avoiding the fragmentation of our forest landscape from excessive rural development, the forest will continue to provide elements integral to our quality of life, including wildlife habitat, wood products, recreational access, water quality protection, and forest health.

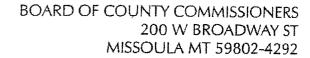
The Lake County Commissioners support the Montana Working Forests proposal and encourages positive action by the Legislature to secure this opportunity on behalf of the citizenry.

**BOARD OF LAKE COUNTY COMMISSIONERS** 

Mike Hutchin, Chairman

Paddy Trusler Member

huck Whitson, Member





PHONE: (406) 258-4877

FAX: (406) 721-4043

BCC 2008-289 December 17, 2008

Brian D. Schweitzer, Governor State of Montana P.O. Box 200801 Helena, MT 59620-0801

Dear Governor Schweitzer:

The Missoula County Commissioners strongly support the Montana Working Forests Project. This effort by the State of Montana to purchase at least 110,000 acres of former Plum Creek timber lands will help maintain forest resources into the future and avoid costly dispersed rural subdivision and scattered development in fire-prone forests. The County has actively participated in similar efforts in the Swan Valley and the Blackfoot Valley. We've been informed of the project, sponsored several community meetings through our Rural Initiatives Office and have heard broad support for the State's acquisition from County residents. In particular, we support the purchase of more than 50,000 acres in the Potomac area and north of Interstate 90. We urge you to continue your efforts to provide funding for the acquisition of these lands.

This Montana Working Forests Project is a unique opportunity to address many important issues at once. By clearing up the checkerboard ownership pattern, agencies and constituents can make land management decisions that take whole ecosystems into account. Public access for hunting, fishing, hiking and snowmobiling can be maintained. These activities are at-risk as large blocks of timberlands are sold off as smaller parcels. In addition, Montana's timber industry is substantially benefited by keeping future options open for timber production on these once private timber producing parcels. By adding substantial acreages to the State's timber base, we provide for a possible increase in the sustainable yield of timber by the Department of Natural Resources and Conservation. Finally, the incredible water and wildlife resources on these parcels are a critical part of this region's economic future. Keeping these resources healthy for the enjoyment of Montanans and our many visitors is necessary.

Furthermore, the risk and cost of firefighting has skyrocketed due to dispersed rural development in recent years. The Montana Working Forest Project will slow the rapidly rising cost of fire suppression in rural landscapes. Montana taxpayers would be faced with higher fire fighting costs if the Montana Working Forests Project lands are sold on the open market and developed.

A recent study by Headwaters Economics, funded by the Montana Fire Suppression Interim Committee, shows that in 2007, approximately 20,000 acres of lands within the Montana Working Forest Project were burned, or were within one mile of three separate fires. Had these lands been developed at the time — even at very low densities — the study predicts suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.

The Missoula Board of County Commissioners views The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely, BOARD OF COUNTY COMMISSIONERS

Jean Curtiss, Chair

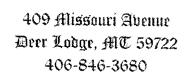
Bill Carey, Commissioner

Larry Anderson, Commissioner

BCC/ppr

cc: Pat O'Herren, Rural Initiatives





January 8, 2009

Honorable Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena, MT 59620-0801

Dear Governor Schweitzer,

The Powell County Board of Commissioners strongly supports The Montana Working Forests Project.

This effort to conserve 111,000 acres of former Plum Creek Timber lands is an important investment in Montana's future. By acquiring these lands, made available as part of a larger 310,000 purchase of lands by The Nature Conservancy and The Trust for Public Lands, the State of Montana will ensure that they remain part of the state's working forests, stay open for public access and protect the water and wildlife resources we all enjoy.

Five years ago The Nature Conservancy, in partnership with the Blackfoot Challenge, purchased nearly 90,000 acres of Plum Creek Timber land. Much of this land is located in Powell County. This land is currently in the process of conveyance to a combination of federal, state and private owners. The Powell County Board of Commissioners has been part of this collaborative effort. Most importantly, the land remains healthy and productive. The Montana Working Forests Project represents an important opportunity to build on this kind of collaborative effort.

By increasing the State of Montana's land ownership by 111,000 acres of prime forest lands we increase our support of schools, help retain a future for our timber industry and keep these highly developable lands open to public access long into the future. In short, we can help keep this part of Montana whole.

We urge you and the Montana State Legislature to continue your efforts to secure the necessary funding for this project.

Respectfully.

Powell County Board of Commissioners



379 Boyscout Road • P.O. Box 549 • Seeley Lake, Montana 59

January 7, 2009

Governor Brian Schweitzer Montana Capitol P.O. Box 200801 Helena, MT 59620-0801

Dear Governor Schweitzer:

Pyramid Mountain Lumber, Inc. has been a strong supporter of the Montana Legacy Project and looks forward to the State of Montana's acquisition of 111,000 acres through the Montana Working Forests Project. These acres are in close proximity to our family owned mill in Seeley Lake and would provide more certainty in available raw materials in future years under sustainable management by DNRC.

This project offers an opportunity of a lifetime to help maintain working forestlands and the rural character of Montana's landscapes. The resulting economic benefit to rural communities through historic land uses and modern technology will benefit current infrastructure while stimulating future economic diversification.

Governor, Pyramid supports the Montana Working Forests Project and the multiple benefits which will be realized through active management. We encourage you to move forward with efforts that add forested acreage to State of Montana ownership.

Sincerely,

Gordy Sanders

Resource Manager

Pyramid Mountain Lumber, Inc.

Honorable Governor Brian D. Schweitzer

Montana Capitol

PO Box 200801

Helena, MT 59620-0801

January 5, 2009

Dear Governor Brian D. Schweitzer,

I've been working in the wood products industry for 40+ years and I support the State of Montana acquiring land through the Montana Working Forests Project. Here we have an opportunity to place emphasis on quality management of these portions of the forest. Having worked with many of these State people throughout the years, I feel, their commitment to doing what is right for the forest has evolved to a higher level than simple extraction of cash resources. This group will do their best for the forest and that will provide a more reasonably balanced management of these properties.

The Montana Working Forests Project is a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana. Having invested myself in this profession of forestry I recommend that you help the State of Montana in acquiring these lands.

Yours in restoration and communication, I remain

Craig E. Thomas

Forester

Stevensville, Montana 59870

Honorable Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena, MT 59620-0801

> Tricon Timber LLC PO Box 158 St. Regis MT. 59866

January 2, 2009

Dear Governor Brian D. Schweitzer,

I've been working in the wood products industry for thirty-three years and I support the State of Montana acquiring land through the Montana Working Forests Project.

A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area—about half of them in Missoula County.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

The Montana Working Forests Project will help to maintain forest industry jobs. Western Montana has a proud wood products history, and these lands have given a great deal to us. Sound stewardship of these lands by Montana now and far into the future will ensure they remain economically viable for the future generations that work here.

The Montana Working Forests Project will stem fragmentation of landscape from second-home rural development. Throughout the west we are losing intact landscapes to fragmentation caused by "backcountry sprawl." When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide – public access, clean water, wildlife habitat, and wood products. The Montana Working Forests Project will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.

The Montana Working Forests Project is a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

Gordon N Johnson

Gordon N Johnson Forester



PO Box 7792, Missoula, MT 59807 406-546-1471

November 25, 2008

Montana House of Representatives State Capitol PO Box 200400 Helena, MT 59620-0400

RE: Support Montana's Working Forests

Dear Montana House,

With over 250 members in western Montana, Hellgate Hunters and Anglers (HHA) works to conserve Montana's wildlife, wild places and fair-chase hunting and fishing heritage. In addition to our support for hunting and fishing, members of HHA are dedicated to conserving Montana's non-game wildlife and natural habitat, and to ensuring that future generations are able to enjoy the same high-quality outdoor experiences we grew up with.

Hellgate Hunters and Anglers strongly support Montana's Working Forests proposal for several reasons. The proposal would convert roughly 111,000 acres of Plum Creek land into state management and is an integral part of part of a larger 312,000 acre land conservation effort known as the Montana Legacy Project. Montana's Working Forests encompasses large sections of land in the Swan Valley, the Fish Creek drainage, the Potomac and areas west of Missoula.

The Montana's Working Forests proposal represents a once in a lifetime opportunity to conserve many of the places that generations of Montanans have enjoyed for hunting and fishing.

This proposal will maintain essential resource, conservation, social, and economic values in western Montana by:

- Maintaining recreational access for hunters, anglers, hikers, motorized recreationists and other users. Access to much of these lands could be in jeopardy unless the Montana's Working Forests project is funded and approved.
- Protecting some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout, other species will be conserved and protected through sound land management principles and policies.

Hellgate Hunters and Anglers is dedicated to conserving Montana's wildlife, wild places, and fair-chase hunting and fishing heritage.

- Reducing fragmentation of the landscape from excessive subdivision in remote and rural areas. Throughout Montana, we are losing some of our best wildlife habitat and hunting access as development fragments the landscape. Fragmented forests can't provide the full benefits healthy forests provide clean water, wildlife habitat, hunting and fishing access, in addition to wood products. The Montana's Working Forests proposal will reduce fragmentation and thereby helping maintain western Montana's traditional quality of life.
- Working to maintain forest industry jobs. Western Montana has a proud wood products history but for a variety of reasons the industry is facing serious economic uncertainty. The Montana's Working Forests proposal calls for sustainable timber harvest levels for the lands involved, which means sound stewardship, forest health, and a foundation for employment and economic opportunity in the wood products industry.
- Forests proposal calls for the state to purchase up to 110,000 acres of lands for inclusion as state forestland. This addition to the state's forestland will generate income for the school trust fund through sales of timber, subject to state land management and sustainable harvest calculations. One estimate suggests that an increase in 10 million board feet annually reasonable for an additional 110,000 acres will produce an additional 230 wood products jobs and generate over \$2 million annually for Montana schools.

Hellgate Hunters and Anglers views Montana's Working Forests as a remarkable opportunity to help conserve not only our landscape but our way of life in Montana.

Sincerely,

Tim Aldrich President



5705 Grant Creek Rd Missoula, MT 59808 PO Box 8249 Missoula, MT 59807-8249

Phone: 406-523-4500 Toll Free: 800-225-5355

Email: rmef@rmef.org

Website: www.elkfoundation.org

January 12, 2009

Governor Brian D. Schweitzer Montana State Capitol P.O. Box 200801 Helena, MT 59620-0801

Senator Robert Story Montana State Senate Montana State Capitol P.O. Box 200500 Helena, MT 59620-0500

Speaker Bob Bergren Montana House of Representatives Montana State Capitol P. O. Box 200400 Helena, MT 59620-0400

Subject: Montana Working Forests Project

Dear Governor Schweitzer, Senator Story, and Speaker Bergren:

The Rocky Mountain Elk Foundation (RMEF) is a membership-based organization whose mission is to ensure the future of elk, other wildlife, and their habitat. Though we have over 155,000 members nationwide, we are proud that our origin began in Montana and that our national office is still located here in Missoula. Through many partnerships, we have helped protect and enhance 628,591 acres across the state since 1988.

One of our highest priorities is addressing the decline of available habitat. The conversion of rural areas to residential development, subdivision and other developed uses is outpacing population growth, and consuming what are often a region's most beautiful and productive lands. When this occurs, wildlife habitat and public access are at risk, particularly in areas of intermingled public and private ownership. As rural lands are subdivided and developed, wildlife habitat is fragmented, fences and No Trespassing signs go up, and opportunities for hunting become more limited.

As you know, The Nature Conservancy and The Trust for Public Land continue their efforts to implement the Montana Legacy Project, the agreement to acquire over 300,000 acres of Plum Creek lands in western Montana. As a result of input received at community meetings and dialogue with State agencies and the Governor's Office, there is a concerted effort to identify funding for the State of Montana to acquire approximately 111,000 acres of these lands; this is



Page 2 January 12, 2009

known as the Montana Working Forests Project. This is a significant opportunity for the citizens of Montana, and it is an important and timely issue for consideration by the Montana Legislature.

RMEF strongly supports the Montana Working Forests Project. This project will contribute to conservation of wildlife habitat and water resources, maintain traditional public access for outdoor recreation opportunities, and help keep Montanans working in the woods and local mills. The Montana Working Forests lands would be owned and managed primarily through the Montana Department of Natural Resources and Conservation for the benefit of all Montanans. All of the Plum Creek checkerboard lands within the Swan River State Forest could be included, as well as priority lands in the Potomac area and Fish Creek drainage. We encourage your support of legislation that would provide for investment in all or a portion of those lands included in the MT Working Forests Project.

The Governor's Budget included a recommendation for a general obligation bond to acquire additional School Trust lands. House Bill 14 (HB-14) furthers this recommendation and proposes an authorization of \$21 million in such funding. It is our understanding that the DNRC would target this funding for acquisition of Montana Working Forests lands in the Potomac area. This would complement other funding resources that could be applied to implement additional State acquisitions.

We at the Elk Foundation appreciate your efforts to support the extraordinary opportunity afforded to the citizens of Montana by the Montana Working Forest Project! It is time to invest in Montana!

Sincerely

M David Allen
President & CEO



January 14, 2009

Honorable Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena, MT 59620-0801

Dear Governor Schweitzer.

The women of the Blackfoot Home and Community Club, a local service organization in Potomac, MT strongly support The Montana Working Forests Project.

The BHCC endorses The Montana Working Forests Project because it represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area. More than half of these lands are located in Missoula County.

The Montana Working Forests Project will maintain essential resource, conservation, social and economic values in western Montana. These values are important to BHCC members. The Project complements our mission and the local volunteer activities we undertake like the Annual Blackfoot River Clean-Up.

- The Montana Working Forests Project will maintain recreational access for hunters, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
- The Montana Working Forests Project will help to maintain forest industry jobs. Western Montana has a proud wood products history, but is currently facing serious economic uncertainty. Sustainable timber harvest on these lands will ensure sound stewardship of these lands for the future generations that work and play here.
- The Montana Working Forests Project will stem fragmentation of landscape from second-home rural development. Throughout the west we are losing intact landscapes to fragmentation caused by "backcountry sprawl." When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide public access, clean water, wildlife habitat, and wood products. The Montana Working Forests Project will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.

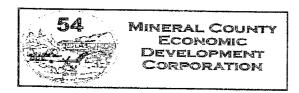
- The Montana Working Forest Project will slow the rapidly rising cost of fire suppression in rural landscapes. Montana taxpayers would be faced with higher fire fighting costs if the Montana Working Forests Project lands are sold on the open market and developed. A recent study by Headwaters Economics, funded by the Montana Fire Suppression Interim Committee, shows that 20,000 acres of lands within the Montana Working Forest Project were burned, or were within one mile of three separate fires, in 2007. Had these lands been developed at the time even at very low densities the study predicts suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.
- The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.

The Blackfoot Home and Community Club views The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

The women of the Blackfoot Home and Community Club [Signature page attached]

We, the women of the Blackfoot Home and Community Club, a local non profit organization in Potomac, support the Montana Working Forests Project.



December 3, 2008

The Honorable Brian D Schweitzer Governor of Montana P O Box 200801 Helena, MT 59620-0801

Dear Governor Schweitzer,

The Mineral County Economic Development Corporation, a non-profit countywide organization dedicated to improving the social and economic well being of county residents is fully supportive of the Montana Working Forests Project. It is our belief that the proposed action to transfer over 100,000 acres of Plum Creek lands to the state of Montana presents itself as a golden opportunity that will contribute to the custom and culture of Mineral County residents.

As you well know, Mineral County depends heavily on natural resources from public lands. We believe that the state will manage these lands in a manner compatible with our core values contributing to sustainably.

- Management of the timber stands as a viable renewable resource will contribute to the local economy. Mineral County has an excellent record in fostering Stewardship projects that will allow these lands to be managed in a sustainable manner for future generations to enjoy. This will significantly enhance the forest sector economy.
- e Enhancing the utilization of these lands will provide additional recreational opportunities including hunting, fishing, ATV's, hiking, and a host of other public uses. In addition, the wildlife habitat will be enhanced that is so important to the survival of threatened and endangered species in the Rocky Mountains.
- The acquisition of these lands by Montana will preclude the fragmentation of second home development. This will prevent the loss of valuable forest lands thereby retaining their public use contributing to our western heritage.
- Through proper management, the risk of catastrophic fires will be greatly reduced. This becomes extremely important when one considers the tremendous cost for fire suppression and the loss of such a valuable resource.

The Mineral County Economic Development Corporation considers the Montana Working Forests Project as a tremendous opportunity to help conserve our natural resource base contributing to the social and economic fabric of our local communities. Your support for this endeavor will be greatly appreciated.

Jim DeBree

Mineral County Economic Development Corporation

## MONTANA WILDLIFE FEDERATION

www.montanawildlife.org



Protecting Montana's wildlife, land. waters, hunting and fishing heritage since 1936

January 21, 2009

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena MT 59620-0801

Montana Senate State Capitol PO Box 200500 Helena, MT 59620-0500

Montana House of Representatives State Capitol PO Box 200400 Helena, MT 59620-0400

Subject: Montana Working Forests Project

Dear Governor Schweitzer and Montana Legislators:

Montana Wildlife Federation (MWF) is a membership-based organization with more than 7,200 members, and 23 affiliate clubs across Montana. MWF is dedicated to the conservation of our natural resources and public opportunities to enjoy these resources, fish and wildlife sustainability, and the protection of our hunting and fishing heritage. As the leading Montana advocacy organization for sportsmen and sportswomen, we conduct conservation, wildlife, and public resources education programs and symposiums, and engage with policy decision makers, state and local agencies and the Montana legislature.

MWF is deeply concerned with the degradation and the loss of wildlife sustaining habitats due to the conversion of forest lands to residential subdivision and development. When this occurs, wildlife and fisheries habitat and public access are at risk, particularly in areas of intermingled public and private ownership. As these lands are subdivided and developed, wildlife habitat is fragmented, fences and No Trespassing signs go up, and opportunities for hunting and fishing become more limited.

The Nature Conservancy and The Trust for Public Land are working to implement the Montana Legacy Project, an agreement to acquire about 312,000 acres of Plum Creek lands in western Montana. As a result of input received at community meetings and dialogue with State agencies and the Governor's Office, there is a concerted effort to identify funding for the State of Montana to acquire approximately 111,000 acres of these lands. Known as the Montana Working Forests Project, MWF believes this is a significant opportunity for the citizens of Montana.

MWF has informed itself of this project and considered its relationship to our organizational mission, and the benefits to our membership and the general public. The MWF Board of Director's strongly support the Montana Working Forests Project believing that this project will contribute to the conservation of wildlife habitat and water resources, maintain traditional public access for outdoor recreation opportunities, and help maintain a land base of productive forests. We understand that the Montana Working Forests lauds would be owned and managed primarily through the Montana Department of Natural Resources and Conservation for the benefit of all Montanans. All of the Plum Creek checkerboard lands within the Swan River State Forest could be included, as well as priority lands in the Potomac area and Fish Creek drainage. We encourage your support of legislation (HB14) that can provide for investment in all or a portion of those lands included in the Montana Working Forests Project.

The Governor's Budget included a recommendation for a general obligation bond to acquire additional School Trust lands. House Bill 14 (HB-14) furthers this recommendation and proposes an authorization of \$21 million in such funding. It is our understanding that the DNRC would target this funding for acquisition of Montana Working Forests lands in the Potomac area. This would complement other funding resources that could be applied to implement additional State acquisitions in priority areas.

Montana Wildlife Federation is requesting your serious consideration of HB 14 and encourages your support of implementing the opportunity afforded to the citizens of Montana by the Montana Working Forest Project!

Respectfully,

Craig Sharpe

**Executive Director** 

This message brought to you by Montana's largest statewide wildlife organization of more than 7,000 conservation minded hunters and anglers with a common mission 'To protect and enhance Montana's public wildlife, lands, waters and fair chase hunting and fishing heritage'.

January 22, 2009

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena MT 59620-0801

Dear Governor Schweitzer:

January 20 marked a historic moment in our nation's history—and it also gave me great hope that we can accomplish great things—starting right here in Montana. We can be forward thinking so that our children will look back at us and thank us as we do our ancestors who had the wisdom to create the National Park system and the Wilderness system that we can all enjoy today. Their work needs to be carried on today—and in the Swan Valley we have a unique opportunity to conserve private lands before they become developed with houses—lands in this case not for wilderness but as working forests and as wildlife corridors for species that have long vanished from other parts of the country—like the grizzly bear and the wolverine, and fish, too, like the bull trout that needs cool, connected, clear waters.

I strongly support the state's acquisiton of 110,000 acres of Plum Creek land that are available now—not in the future but now. We cannot put off this important investment or we will lose the opportunity forever.

Thank you.

Deborah Richie Oberbillig 503 Linden Street Missoula, MT, 59802 20 January, 2008

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena MT 59620-0801

#### Dear Governor Schweitzer:

We now have the conservation opportunity of a life time. The Plum Creek Timber lands being sold in the Swan and Clearwater valleys are the crown gems of western Montana, and they are for sale.

These lands, full of lakes, beautiful streams, wetlands, unmatched wildlife habitat, and great timber resources, will be purchased by The Montana Legacy Project in 2009 and 2010. But the Legacy organizations (TNC and TPL) cannot hold the land, and it must be sold to the State of Montana and the U.S. Forest Service.

We want all the "checkerboard" lands in the northern Swan to become part of the Swan River State Forest and Montana Fish Wildlife and Parks lands, to be managed for multiple values and the perpetual benefit of the Montana schools.

Please find a way to set aside the necessary funding to acquire the Plum Creek lands in the northern Swan Valley. This is a unique opportunity for all Montanans, especially our upcoming generations. Please urge the legislature to be bold in securing these lands for Montana.

Thank you.

Sincerely

William McDowell 4660 Spurgin Rd. Missoula, MT 59804

406-327-8443



Bitter Root Land Trust, Hamilton 406-375-0956

The Clark Fork-Pend Oreille Conservancy Sand Point, ID 208-263-9471

The Conservation Fund, Missoula 541-8555

Five Valleys Land Trust, Missoula 549-0755

Flathead Land Trust, Kalispell 752-8293

Gallatin Valley Land Trust, Bozeman 587-8404

Montana Land Reliance, Helena 443-7027

The Nature Conservancy, Helena 443-0303

Prickly Pear Land Trust, Helena 442-0490

Rocky Mountain Elk Foundation, Missoula 523-4533

The Trust for Public Land, Bozeman 522-7450

> Vital Ground Foundation, Missoula 549-8650

# MONTANA ASSOCIATION OF LAND TRUSTS

Box 675 Whitehall, Montana 59759 Glenn Marx, Executive Director 490-1659 Email: malt@jeffersonvalley.net Website: montanalandtrusts.org

November 2008

The Montana Association of Land Trusts, a group of twelve land trusts working throughout the state, voted unanimously at the association's October 7, 2008 membership meeting to endorse and support the Montana Legacy Project as a whole, and more specifically, the state component of the proposal, the Montana Working Forests Project.

Montana's association of land trusts endorses the Legacy/Working Forests proposal for abundant reasons. The Legacy/Montana Working Forests proposal converts roughly 320,000 acres of Plum Creek land into federal, state and private ownership, in what is one of the largest land conservation purchases in U.S. history. The project encompasses large sections of land in the Swan Valley, in the Clearwater area, in Mill Creek north of Missoula, in the Fish Creek and Lolo areas west of Missoula and in the Potomac area.

This Working Forests proposal represents a once in a lifetime opportunity to protect the quality of life in western Montana and to maintain the essence of the core values that make western Montana such a distinct and special place.

The Working Forests proposal will maintain essential resource, conservation, social and economic values in western Montana by:

Protecting some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.

Maintaining recreational access for hunters, anglers, hikers, motorized recreation and other uses. Access to much of these lands could ultimately be in jeopardy unless the Working Forests project is funded and approved.

Working to maintain forest industry jobs. Western Montana has a proud wood products history but for a variety of reasons that industry is currently facing serious economic uncertainty. The Working Forests proposal calls for sustainable timber harvest levels for lands involved, which means sound stewardship, forest health and a foundation of employment and economic opportunity in the wood products industry.

Stemming fragmentation of landscape from excessive rural development. Throughout the west we are losing intact landscapes to fragmentation caused by rural development. When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide – access, wildlife habitat, wood products and others important qualities like water quality protection and forest health for fire suppression capability. The

Working Forests proposal will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.

Generating additional income to the school trust fund. The Working Forests proposal calls for the state to purchase up to 110,000 acres of lands for inclusion as state forestland. This addition to the state's forestland will generate income for the school trust fund through sales of timber, subject to state land management and sustainable harvest calculations. One estimate suggests an annual increase in 10 million board feet – reasonable for an additional 110,000 acres – will produce an additional 230 wood products jobs and generate over \$2 million per year in revenue for Montana schools.

Montana's land trusts have been working with landowners for over three decades to conserve private lands, and land trusts and landowners have done an impressive job protecting open lands, agricultural ground, wildlife habitat and more. These land trusts view the Working Forests proposal as a remarkable opportunity to help conserve not only a landscape but a way of life in western Montana.

Montana's land trusts stand in strong support of the Working Forests proposal and are pleased that two members of the Montana Association of Land Trusts – The Nature Conservancy and The Trust for Public Land – have led the effort on this proposal.

If land trusts can be of any assistance or address any questions, please don't hesitate to contact us.

Sincerely,

Glenn Marx

**Executive Director** 

Montana Association of Land Trusts

Glem Marx



"Better Communities Through Cooperation"

November 18, 2008

Governor Brian D. Schweitzer Office of the Governor Montana State Capitol Building P.O. Box 200801 Helena MT 59620-0801

RE: Montana Working Forests project

Dear Governor Schweitzer,

This is a letter of support for the Montana Working Forests project to conserve working lands in Montana for current and future generations.

Through the Blackfoot Community Project (BCP), the Blackfoot Challenge and The Nature Conservancy partnered to conserve 89,000 acres of Plum Creek Timber Company land in the middle and upper Blackfoot Valley. We are now in the final stages of a community lead disposition of these acres to public and private conservation ownership.

Montana's Working Forests seeks to convey at least 110,000 acres of former Plum Creek Timber Company land to the State of Montana. This project should have similar success given the focus The Nature Conservancy and The Trust for Public Land have to involve local communities. The Challenge supports the project's objectives of protecting clean water and fish and wildlife habitat, keeping our forests in productive timber management, and promoting public access to these lands for fishing, hiking, hunting and other recreation.

The Blackfoot Challenge is facilitating this community involvement in the Potomac and Greenough area, having hosted public meetings to introduce the community to The Nature Conservancy, Trust for Public Land and Missoula County Rural Initiatives. The Challenge is organizing a local group to coordinate the exchange of information between the local community and the project partners.

Sincerely,

Jim Stone, Chairman

Im Store



United States Department of the Interior

NATIONAL PARK SERVICE Glacier National Park West Glacier, Montana 59936

H30

DEC 3 0 2008

Montaria Senate State Capital P. O. Box 200500 Helena, MT 59620-0500

Dear Montana Senate:

Glacier National Park supports the Montana Legacy Project's Montana Working Forests proposal. While none of these lands are directly adjacent to Glacier National Park, many of our park resources are affected by actions outside the park. This project offers a tremendous opportunity that will contribute to threatened and endangered species recovery, and maintain wildlife corridors that eventually connect to Glacier National Park. Conservation of these lands can make a significant contribution to the preservation of wildlife and other resources in Glacier National Park, as many of these animals do not recognize political boundaries and may travel throughout the region including as far south as the Swan Mountain Range.

This proposal presents a once in a lifetime opportunity to protect the quality of life in western Montana and maintain the essence of the core values that make the area such a distinct and special place. We believe this proposal will protect some of Montana's (and the Crown of the Continent's) most critical wildlife habitat for grizzly bears, lynx, bull trout and other species, maintain access for recreationists, maintain forest industry jobs, stem fragmentation of landscapes from patch work development and generate additional income to the school trust fund.

Please include this letter of support as you consider this proposal.

Sincerely, /s/Stephanie R. Dubois



Chas Cartwright Superintendent

bcc: M. Riddle



#### United States Department of the Interior

#### NATIONAL PARK SERVICE Glacier National Park West Glacier, Montana 59936

H30

DEC 3 0 2008

Montaria House of Representatives State Capital P. O. Box 200400 Helena, MT 59620-0400

Dear Montana House of Representatives:

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Please include this letter of support as you consider this proposal.

Sincerely,

/s/ Stephanie R. Dubois

Chas Caxtwright Superintendent

Bcc: M. Riddle



Friends of Two Rivers December 1, 2008

PO Box 376

Milltown MT 59851

Governor Brian D. Schweitzer Office of the Governor Montana State Capitol Bldg. P.O. Box 200801 Helena MT 59620-0801 Dear Governor Schweitzer,

Friends of Two Rivers is a grass-roots organization of Bonner/Milltown residents supporting natural resource conservation. We are pleased to offer our strongest support for the Montana Working Forests Project, enabling the purchase and conservation of approximately 312,500 acres of Plum Creek Timber Company land. The Project would preserve this land for

timber harvest, wildlife uses, and public access, all of which are at the heart of Montana's economy and quality of life.

By preserving the land uses that make Montana such a special place, the Montana Working Forests Project would boost the State's economy and support a sagging wood products industry through ensuring timber harvest on lands that could otherwise be lost to private development. Preserving public access will have added economic benefits by enhancing recreation opportunities for both residents and visitors, supporting recreation-related businesses and services.

All of us who have lived in Montana for many years, have become increasingly concerned by the rising incidence of wildland fires, the control of which has become increasingly problematic and expensive because of the presence of private residences in the forest. By excluding forested lands from residential development, the Project would make future wildland fire control more practicable and less expensive.

Montana's quality of life as a "Last Best Place" will be measurably enhanced by the Project, adding to the inventory of protected wildlife habitat and open space made even more valuable to all Montanans by long-term, sound land management principles.

The Montana Working Forests Project is a uniquely powerful and rare opportunity to preserve land uses that are not only our State's natural resource legacy rooted in history but also an asset for future prosperity and quality of life. We hope you can give exceptionally strong support to the Project.

Sincerely.

latson, Secretary/Treasurer



Friends of Two Rivers
December 1, 2008

PO Box 376

Milltown MT 59851

Montana House of Representatives PO Box 200400 Helena, MT 59620-0400

Dear Representatives,

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The Montana Working Forests Project is a uniquely powerful and rare opportunity to preserve land uses that are not only our State's natural resource legacy rooted in history but also an asset for future prosperity and quality of life. We hope the Montana House of Representatives can give exceptionally strong support to the Project.

Sincerely,

huck Erickson, Presiden

ary Matson, Secretary/Treasurer

## Great Burn Study Group

January 7, 2009

Governor Brian D. Schweitzer, Office of the Governor Montana State Capitol Bldg. P.O. Box 200801 Helena MT 59620-0801

Dear Governor Brian D. Schweitzer,

The Great Burn Study Group (GBSG) strongly supports the Montana Working Forests Project. GBSG is a local conservation organization based in Missoula. Our mission is to conserve the wild and remote character of the northern Bitterroot Mountains along the Montana/Idaho stateline.

As part of the larger 310,000-acre Montana Legacy Project, the Montana Working Forest Project's goal is to transfer approximately 111,000 acres to the State of Montana. About one-third of these acres are located in the Fish Creek drainage, which is adjacent to GBSG's mission area.

Our mission area not only includes a remote landscape of forests and mountains, but also the surrounding communities, including those of Mineral County. Members of our Board of Directors and staff are represented on the Mineral County Planning Board and the Mineral County Resource Advisory Committee, and on collaborative forest working groups in the county.

In informal conversations with Mineral County Commissioners, we noted their preference would be to have the Fish Creek lands managed by the Montana Department of Fish Wildlife and Parks. It is our and the Commission's understanding that Mineral County would benefit from more significant tax payments if FWP managed the land rather than the Montana Department of Natural Resources and Conservation. In addition, the drainage's importance to native wildlife and fish as outlined below, renders it appropriate that FWP manage the drainage.

National and regional government wildlife agencies and other organizations have identified the Fish Creek area as a high quality wildlife corridor and part of a regional wildlife movement zone linking the Selway-Bitterroot to the Northern Continental Divide and Selkirk-Cabinet-Yaak Ecosystems.

Locally, Fish Creek is part of a wildlife linkage zone between the Ninemile Valley and the Fish Creek/Petty Creek area. In addition, a well-known wildlife movement area exists between Burdette Creek and the proposed Great Burn Wilderness which provides passage for elk moving to winter range.

Fish Creek is a high priority area for FWP for its migration corridors, large numbers of elk, deer, moose and wolves, critical big game winter range, public hunting opportunities, and its fluvial bull trout populations.

GBSG supports the Montana Working Forests Project because it will maintain essential resource, conservation, social and economic values in western Montana. Specifically, we support FWP management of the Fish Creek lands. The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

Sincerely,

John Hart President

Great Burn Study Group

Quellaris
Dale Harris

Executive Director

Great Burn Study Group

cc: Mack Long, Regional Director, Montana FWP

Sharon Sweeney, Ranger, Superior District

Mineral County Commissioners

Kevin Chamberlain, Mineral County Extension Service



December 6, 2008

To the Honorable Brian D. Schweitzer, Governor, State of Montana

The Swan Group of Companies (consisting of Swan Mountain Outfitters, Swan Mountain Glacier Division, Swan Mountain Wilderness Guide School, and Swan Mountain Guest Ranch) strongly support and endorse The Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac areas.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

The Montana Working Forests Project will maintain essential resource, conservation, social and economic values in western Montana.

- The Montana Working Forests Project will maintain recreational access for hunters, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
- The Montana Working Forests Project will help to maintain forest industry jobs. Western Montana has a proud wood products history, but is currently facing serious economic uncertainty. Sustainable timber harvest on these lands will ensure sound stewardship of these lands for the future generations that work and play here.
- The Montana Working Forests Project will stem fragmentation of landscape from second-home rural development. Throughout the west we are losing intact landscapes to fragmentation caused by "backcountry sprawl." When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide public access, clean water, wildlife habitat, and wood products. The Montana Working Forests Project will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life. As residents and employers in the Swan Valley, we have witnessed firsthand the impact of this sprawl, and the resulting ripple impact is had on aspects of life in the Swan.

- The Montana Working Forest Project will slow the rapidly rising cost of fire suppression in rural landscapes. Montana taxpayers would be faced with higher fire fighting costs if the Montana Working Forests Project lands are sold on the open market and developed. A recent study by Headwaters Economics, funded by the Montana Fire Suppression Interim Committee, shows that 20,000 acres of lands within the Montana Working Forest Project were burned, or were within one mile of three separate fires, in 2007. Had these lands been developed at the time even at very low densities the study predicts suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.
- The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.
- With all the public pressure you have received on retaining and gaining access to land for more of the public to hunt on, this project seems crucial in assisting you in delivering on your commitment to the public to do so.

The Swan Mountain Group of Companies views The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

Patrick M. Tabor President and Owner Swan Group of Companies 26356 Soup Creek Road Swan Lake, MT 59911

#### Hunters for Montana Working Forests Project

Conserving wildlife habitat Ensuring traditional access

P.O. Box 1424, Lolo, MT 59847 hunteraccess@imt.net

December 21, 2008

Honorable Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena, MT 59620-0801

Dear Governor Schweitzer,

We, the Hunters for The Montana Working Forests Project, are all hunters and long-term residents of Montana. And we are deeply concerned about losing both access to traditional hunting grounds and important habitat for wildlife should Plum Creek timberlands be converted into high-end and second-home development. For this reason., we enthusiastically support The Montana Working Forests Project.

Governor Schweitzer, to us, getting out on the land to hunt with our families is an enormous part of the traditional Montana way of life. Unfortunately, it seems as if we can scarcely drive down a road in rural Montana anymore without seeing a fresh crop of survey markers and "No Trespassing" signs. And in many cases, these lands are former Plum Creek Timber lands. Not only do we lose the access and habitat these lands represent, but in many cases these sales block access to adjacent public lands as well.

It is hard to see how we will maintain the hunting tradition for our children and grandchildren in Montana if these trends continue.

In addition, it is crucial both to the economic life of Western Montana and the health of the overall landscape, that Plum Creek lands remain as part of the sustainable timber harvest base instead of being locked away for second homes. This will ensure forest industry jobs and the economies of many towns of our region.

As we see it, The Montana Working Forests Project is in all ways a real "win-win" deal for the people of Montana.

## Hunters for Montana Working Forests Project

Conserving wildlife habitat Ensuring traditional access

P.O. Box 1424, Lolo, MT 59847 hunteraccess@imt.net

Thus, we strongly endorse the plan to have, as we understand it, about 111,000 acres of Plum Creek lands transferred to the State of Montana. An opportunity like this will never come around again. We urge that your office and the legislature make this project one of the highest priorities of 2009.

Sincerely,

Frank Laber

Mike Kantor, Lolo Montana

13046 Kimkood Drive 59847 273-6344

On Min 940 5. TH 674 57. Missoula, MT 59801 531-625-0

David Meurer, Missoula Montana

Battlyand 304 O'Connoll Lolo, MT 59847

Scott Laird, Lolo Montana

273-2823

May Olm 3915 Paxson St., Missoula, MT. 59801

Darrell Chambers, Missoula Montana

2243 Dearborn, Missoula, MT 59801

Forest Henning, Missoula Montana

12580 Ounder Rd Florence MT 59833

I saw Kenton

1120 Terry Au, Billings, MT 59102

273-0740

James A. Fisher, 736 So./ St. St. W. Missoula, MT. 59801

406/24012

Tologoula Sold So. St. St. W. Missoula, MT. 59801

406/24012

1230 S. 15t W., Missoula, MT. 59301

### Hunters for Montana

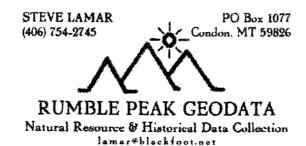
#### **Working Forests Project**

Conserving wildlife habitat Ensuring traditional access

P.O. Box 1424, Lolo, MT 59847 hunteraccess@imt.net

John Zelazny, Missoula, Montana

Her Suncell Missoula NT. 59804 Steve Durwell Missoula MT. 59804



December 2008

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena MT 59620-080]

Dear Governor Schweitzer:

I have lived in Swan Valley for over 32 years and maintaining a viable timber economy is important to me. Montana has a rare opportunity to acquire about 111,000 acres of timberland in Northwest Montana from Plum Creek Timber Co. In the Swan Valley, about 16,000 acres are available to add to the Swan River State Forest. Because of the moist climate, it is prime timber growing land. The forests are resilient, and the trees grow fast. The land can be restored and sustainably managed long into the future, supporting foresters, loggers, log truck drivers, mills, mill works and an emerging restoration workforce.

I am also concerned about wildlife habitat and public access. If the lands are sold to private developers, wildlife habitat will be lost, and fences and No Trespassing signs will go up, limiting our opportunities for hunting, fishing, snowmobiling and cross country skiing.

Please set aside the necessary funding to acquire these lands. It's a once in a lifetime opportunity

Thank you.

Sincerely.

Steve Lamar
Steve Lamar
Rumble Peak GeoData
PO Box 1077
Condon, MT 59826



October 13, 2008

Kat Imhoff, Montana State Director The Nature Conservancy 32 South Ewing Helena, MT 59601

re: The Montana Legacy Project

Dear Director Imhoff:

The Missoula Area Economic Development Corporation is a local economic development organization serving West Central Montana. As you well know, the forest products industry has a long and colorful history in our region. Of late, however, the industry has come under severe stress due to sharp declines in the construction and housing sectors of the national economy. We are working with the State of Montana to develop short-term measures that will help lumber mills lower operating costs in the hope that markets will recover in the future. We are also working to promote solutions to the need for fiber supply to support Missoula pulp mill and MDF plant.

When we met with Caroline Byrd to discuss these initiatives, she took time to give us an informative introduction to the Montana Legacy Project. When we interviewed representatives of the forest products industry across Montana, it was clear that increasing the acreage of forest under State management would be beneficial to the existing integrated forest products industry. We invited Caroline to present this information to our Board of Directors. In late August, she, along with Chris Bryant and Patrick Hefferman gave an excellent presentation on the Montana Legacy Project to our Board.

Based on that presentation, MAEDC's Board of Directors has decided to support The Nature Conservancy and The Trust for Public Land as they seek greater financial commitment from the State to acquire more acres through The Montana Legacy Project. There is no doubt that the effort to transfer more land now owned by Plum Creek to state ownership would be beneficial to the state's forest products industry.

We look forward to learning more about what specifically will be presented to the 2009 session of the Montana Legislature. MAEDC is also working to get the Montana Economic Developers Association to support the availability of funding from the State to help implement the Montana Legacy Project. We look forward to working with your organization as the session approaches.

Singerely,

Dick King

President/CEO

Cc: Jim Davison, Montana Economic Developers Association

Missoula County Commissioners

Montana Wood Products Association

Evan Barrett, Governors Office of Economic Development

Caroline Byrd



## Community. Conservation. Education. P.O. Box 1309 Swan Valley, MT 59826 Ph. 406.754.3185 Fax 406.754.3330 www.northwestconnections.org

November 24, 2008

Dear Governor Schweitzer,

Northwest Connections is an organization dedicated to preserving rural economies, rural landscapes, and the wildlife that depend upon them. Northwest Connections has been working towards a large-scale conservation solution for key Plum Creek timberlands in the Seeley-Swan for nearly a decade. We believe that key characteristics of Montana – the land, the wildlife and the people – are being threatened by the sell off of corporate timberlands in the state.

The Montana Working Forests Project, as part of the larger 310,000-acre Plum Creek acquisition underway, makes good conservation sense and good fiscal sense. This project stops the arterial bleed of land fragmentation currently underway. Moreover, this project will erase the checkerboard pattern of land ownership in key places like the Swan River State Forest. It will set the stage for robust restoration and stewardship activities that will support high skill, high wage jobs in the outdoors.

Northwest Connections also believes that this project is a good investment in Montana's future. The current economic crisis is a good reminder that land-based assets and renewable resources are a solid way to secure our collective economic future.

Northwest Connections heartily endorses the Montana Working Forests Project. We believe it's good for the land, good for the wildlife and good for future generations of Montanans.

Please let us know if there are ways that we can help make this project a reality during the upcoming legislative session.

Maureen Hartmann

Maureen Hartmann

Program Director, Northwest Connections



Respecting each other. Sustaining the land.

6887 Highway 83, Condon, MT 59826 • 406/754-3137, 406/754-3138 (phone) • 406/754-2965 (fax) <u>Swanec@blackfoot.net</u> (e-mail) • SwanEcosystemCenter.com (web site)

Officers of the Corporation:

November 28, 2008

Neil Meyer, chairman

Montana Senate State Capitol

Russ Abolt, vice chairman

PO Box 200500

Steve Ellis, treasurer

II-1. No 50 60 0

Anne Dahl, president secretary

Helena, MT 59620-0500

Board of Directors:

Honorable Montana Senators:

Russ Abolt

------

Steve Ellis

Tom Giles

Glen Gray

Rip Grubaugh

am Hamilton

Neil Meyer

Bill Moore

Stan Nicholson

Tom Parker

Gene Tingle

Advisory Board:

Lex Blood

Jim Burchfield

Bob Cushman

Chuck Harris

C.P. Rowlands

Betsy Spettigue

Many Valued Volunteers Swan Ecosystem Center is an inclusive nonprofit group in Montana's Swan Valley. We work to ensure the sustainable use and care public and private lands. As a community-based organization, we are concerned about the potential loss of a viable timber economy in Western Montana if the Plum Creek Timber Co. lands available for purchase are sold for second-home development or for other non-forest uses.

The Swan Valley may be the most productive timber growing land in Montana, particularly in the area of the Swan River State Forest, where the climate is moist and trees grow vigorously. Much of the future of Montana's woods products industry resolves around the forests of the North Swan Valley. More than 25 square miles of prime timberlands are available here for acquisition by Montana agencies. A total of 111,000 acres are available statewide. We have a rare opportunity to bolster Montana's timber economy and contribute to the school trust fund by purchasing these Plum Creek Timber Co. lands.

We are also concerned about protecting water quality and wildlife habitat for the diversity of species dependent on the Swan Valley, including grizzly bears and bull trout on the endangered species list. Neither streams nor wide-ranging wildlife species are constrained by political boundaries. Both would be more effectively managed in a block of connected parcels rather than in separated properties as they currently are in this checker-boarded landscape.

Public access for traditional hunting and fishing is dear to thousands of Montanans. This by itself is reason enough to purchase these lands. Once the lands are converted for to non-timber uses, fences and No Trespassing signs will go up. Please take advantage of this remarkable opportunity and ensure that adequate funds are available for the "Montana's Working Forests" component on the Montana Legacy Project. Thank you.

Sincerely,

annedall

Anne Dahl, president

On behalf of the Swan Ecosystem Center Board of Directors



THE VIEW GROUPS
FOUR DATION
BIDG T-2, FOR MISSOULA RD.
MISSOULA, MONTAHA 59804
406-549-8650
FAX: 406-549-8787
INFO@MIALGROUND.ORG
WWW.MIALGROUND.ORG

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AMBASSABORS LITTLE BART THE BEAR™ HONEY-BUMP BEAR™ TANK THE BEAR™

EXECUTIVE DIRECTOR
GARY J. WOUTE, PH.D.

December 18, 2008

Montana House of Representatives State Capitol PO Box 200400 Helena, MT 59620-0400

Dear Montana State Representatives,

This letter expresses The Vital Ground Foundation's enthusiastic support of The Montana Working Forests Project. The project represents a once-in-a-lifetime opportunity to protect 111,000 acres of habitat and open space, as well as the quality of life that makes living in western Montana so special.

Vital Ground is a 501(c)(3) wildlife conservation organization headquartered in Missoula, Montana. With the grizzly bear as its compass, Vital Ground works to reconnect fragmented landscapes in the northern Rockies critical to wildlife movement and biodiversity. Because the grizzly's range covers several hundred square miles—from alpine meadows to valley bottoms—protecting and expanding habitat and migration corridors important to the Great Bear benefits entire animal and plant communities in the wildest, yet most imperiled places left on the continent.

Vital Ground has identified lands included in The Montana Working Forests Project as possessing high value for Montana's Threatened grizzly bear populations. Many of the parcels addressed under the project lie within the Northern Continental Divide and, as such, provide core habitat for grizzlies. Additional parcels targeted for acquisition throughout Missoula County will protect essential habitat linkage for bears moving between the Cabinet-Yaak Recovery Zone and the proposed Selway-Bitterrot grizzly bear reintroduction area.

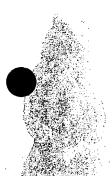
Since 2005, Vital Ground has worked with private landowners in these areas to acquire conservation easements protecting hundreds of acres for wildlife. Vital Ground's projects were completed through collaboration with multiple public and private funding partners.

Our activities throughout western Montana are already complimenting the goals of The Montana Working Forests Project, and in turn, the result of our efforts will be greatly amplified by the successful completion of the Work Forests Project—protecting some of Montana's (and America's) most critical wildlife habitat.

Vital Ground views The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana. We appreciate your commitment to this historic conservation endeavor, and hope that you will continue your support in the months and years to come.

Sincerely,

Gary J. Wolfe, Ph.D. Executive Director



Atlanta, Georgia 30328 Phone: (770) 393-3211 FAX: (770) 393-3788

www.tingleassoc.com

Montana House of Representatives State Capitol PO Box 200400 Helena, MT 59620-0400

Re: Support for Montana's Working Forest Proposal

Honorable Montana Representatives:

I am writing as a landowner and part-time resident of the Swan Valley and as a board member of the Swan Ecosystem Center in Condon. I strongly support the State's efforts, together with the National Conservancy and the Trust of Public Lands in the "Forest Legacy Program" to acquire and protect valuable natural resource land in northwest Montana currently owned by Plum Creek Timber Company.

In particular, I strongly support the State's efforts in funding "Montana Working Forests." As you know, these lands are vital in:

- Protecting Montana's critical wildlife habitat;
- Maintaining recreational access for hunters, hikers, fisherman and motorized use in appropriate areas;
- Maintaining forest industry jobs by establishing sustainable timber harvest and supporting rural Montana's woods products heritage;
- Consolidating the ownership and management of the former "checker board" pattern of landownership. This fragmentation of ownership has resulted in very inefficient and costly management efforts. Management of the natural resources and use of tax payer dollars will become much more cost effective with implementation of the working forest initiative;
- Additional income to the State's School Trust Fund.

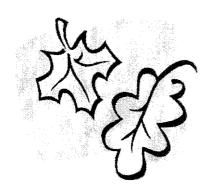
It's truly not an overstatement to say this is a once in a lifetime opportunity. I hope you concur and move forward with this proposal.

Thank you for considering my comments.

Best regards,

Gene A. Tingle





# SWAN VALLEY SENIOR SERVICES

PO Box 1084

Condon, Montana 59826

December 3, 2008

Montana Senate State Capitol PO Box 200500 Helena, MT 59620-0500

Montana Senators:

The Board of Directors of the Swan Valley Senior Services, a non profit community service organization, would like to add our support to the attached letter from the Swan Ecosystem Center requesting the purchase of available Plum Creek Timber lands by the Great State of Montana to preserve their forest status for the benefit of our current and future population.

Montana has recently been in the public eye for the dynamic and progressive nature of our Governor. We believe the purchase of this land by the State is representational of that spirit of enthusiasm and concern for the landscape of this most beautiful and unique part of the world. Further, we feel that this acquisition will be an important gift to enhance the lives of our citizens throughout the State.

Thank you for your consideration.

Sincerely.

Susan Taylor, Interim President

Susan Taylor

Swan Valley Senior Services

Montana State Senate State Capitol PO Box 200500 Helena, MT 59620-0500

November 2008

The Swan Ecosystem Center (a nonprofit community group working on local ecosystem and education programs) strongly supports Montana's Working Forests.

Swan Ecosystem endorses the Montana's Working Forests proposal for abundant reasons. The proposal converts roughly 110,000 acres of Plum Creek land into state ownership—apart of a larger 312,000 acre land conservation purchases known as the Montana Legacy Project. Montana's Working Forests could encompass large sections of land in the Swan Valley, the Fish Creek drainage and areas west of Missoula and in the Potomac area.

The Montana's Working Forests proposal represents a once in a lifetime opportunity to protect the quality of life in western Montana and to maintain the essence of the core values that make western Montana such a distinct and special place.

- Protecting some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.
- Maintaining recreational access for hunters, anglers, hikers, motorized recreation and other
  uses. Access to much of these lands could ultimately be in jeopardy unless the Montana's
  Working Forests project is funded and approved.
- Working to maintain forest industry jobs. Western Montana has a proud wood products history but for a variety of reasons that industry is currently facing serious economic uncertainty. The Montana's Working Forests proposal calls for sustainable timber harvest levels for land involved, which means sound stewardship, forest health and a foundation of employment and economic opportunity in the woods products industry.
- Stemming fragmentation of landscape from excessive rural development. Throughout the west we are losing intact landscapes to fragmentation caused by rural development. When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide—access, wildlife habitat, wood products and others important qualities like water quality protection and forest health for fire suppression capability. The Montana's Working Forests proposal will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.
- Generating additional income to the school trust fund. The Montana's Working Forests

proposal calls for the state to purchase up to 110,000 acres of lands for inclusion as state forestland. This addition to the state's forestland will generate income for the school trust fund through sales of timber, subject to state land management and sustainable harvest calculations. One estimate suggests as increase in 10 million board feet annually--reasonable for an additional 110,00 acres--will produce an additional 230 wood products jobs and generate over \$2 million in annual revenue for Montana schools

The Swan Ecosystem views Montana's Working Forests as a remarkable opportunity to help conserve not only a landscape but a way of life in western Montana.

Sincerely,

Jam Hamilton

2701 Salmon Prairie Road

Swan Lake, MT 59911

December 2008

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena, MT 59620-0801

Dear Governor Schweitzer,

I strongly support the Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

- The Montana Working Forests Project will maintain recreational access for hunters, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
- The Montana Working Forests Project will help to maintain forest industry jobs. Western Montana has a proud wood products history, but is currently facing serious economic uncertainty. Sustainable timber harvest on these lands will ensure sound stewardship of these lands for the future generations that work and play here.
- The Montana Working Forests Project will stem fragmentation of landscape from second-home rural development. Throughout the west we are losing intact landscapes to fragmentation caused by "backcountry sprawl." When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide public access, clean water, wildlife habitat, and wood products. The Montana Working Forests Project will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.
- The Montana Working Forest Project will slow the rapidly rising cost of fire suppression in rural landscapes. Montana taxpayers would be faced with higher fire fighting costs if the Montana Working Forests Project lands are sold on the open market and developed. A recent study by Headwaters Economics, funded by the Montana Fire Suppression Interim Committee, shows that 20,000 acres of lands within the Montana Working Forest Project were burned, or were within one mile of three separate fires, in 2007. Had these

lands been developed at the time – even at very low densities – the study predicts suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.

The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.

I view The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

Larrine Abolt

2515 Smith Creek Rd. Candon, MT 59826 December 2008

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena, MT 59620-0801

Dear Governor Schweitzer,

I strongly support the Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

- The Montana Working Forests Project will maintain recreational access for hunters, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
- The Montana Working Forests Project will help to maintain forest industry jobs. Western Montana has a proud wood products history, but is currently facing serious economic uncertainty. Sustainable timber harvest on these lands will ensure sound stewardship of these lands for the future generations that work and play here.
- The Montana Working Forests Project will stem fragmentation of landscape from second-home rural development. Throughout the west we are losing intact landscapes to fragmentation caused by "backcountry sprawl." When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide public access, clean water, wildlife habitat, and wood products. The Montana Working Forests Project will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.
- The Montana Working Forest Project will slow the rapidly rising cost of fire suppression in rural landscapes. Montana taxpayers would be faced with higher fire fighting costs if the Montana Working Forests Project lands are sold on the open market and developed. A recent study by Headwaters Economics, funded by the Montana Fire Suppression Interim Committee, shows that 20,000 acres of lands within the Montana Working Forest Project were burned, or were within one mile of three separate fires, in 2007. Had these

lands been developed at the time – even at very low densities – the study predicts suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.

• The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.

I view The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely

December 05, 2008

Governor Schweitzer Montana Capitol Po Box 200801 Helena, MT 59620-0801

Dear Governor Brian D. Schweitzer,

I strongly support The Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

- The Montana Working Forests Project will maintain recreational access for hunters, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
- The Montana Working Forests Project will help to maintain forest industry jobs. Western Montana has a proud wood products history, but is currently facing serious economic uncertainty. Sustainable timber harvest on these lands will ensure sound stewardship of these lands for the future generations that work and play here.
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- The Montana Working Forest Project will slow the rapidly rising cost of fire suppression in rural landscapes. Montana taxpayers would be faced with higher fire fighting costs if the Montana Working Forests Project lands are sold on the open market and developed. A recent study by Headwaters Economics, funded by the Montana Fire Suppression Interim Committee, shows that 20,000 acres of lands within the Montana Working Forest Project were burned, or were within one mile of three separate fires, in 2007. Had these lands been developed at the time even at very low densities the study predicts

suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.

The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.

I view The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

Leita E. Inderson

48350 U.S. Hywey 83 P.O. Box 1239 Condon, Mont. 59826

William B. and Katharine A. Beers 584 Remicks Road Condon, MT 59826 (406) 754-4551

December 7, 2008

Montana House of Representatives State Capitol P. O. Box 200400 Helena, MT 59620-0400

Dear Representatives:

We strongly support and endorse Montana's Working Forests Project.

We are in favor of the State of Montana acquiring the approximately 111,000 Plum Creek acres that are available statewide.

We are concerned about the potential loss for Montana's timber economy if Plum Creek lands that are available for purchase are sold for residential development or other non-forest uses.

In addition to providing employment and economic opportunity in the timber industry, we believe the Montana's Working Forests Project will protect critical wildlife habitat; maintain public recreational access for hunters, anglers, hikers and other uses; protect the landscape from being fragmented by excessive rural development; protect water quality; and generate income for the school trust fund.

Please ensure that sufficient funding is available for the Montana's Working Forests portion of the Montana Legacy Project.

Sincerely,

William B. Beers

Laware Lbears

Katharine A. Beers

December 2008

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena MT 59620-0801

Dear Governor Schweitzer:

Like most Montanans I have benefited from Plum Creek Timber Company's open lands policy. Public access is important to me. We have a remarkable opportunity to maintain public access on about 111,000 acres of Plum Creek lands by acquiring them for State ownership. If these lands are subdivided for second homes, fences and No Trespassing signs will go up, limiting our opportunities for hunting, fishing, snowmobiling and cross country skiing.

I am also concerned about protecting wildlife habitat and maintaining a viable timber economy. If we can't protect these lands, habitat will be compromised and our timber economy will be further weakened.

Please set aside the necessary funding to acquire the Plum Creek lands available for the people of Montana. This is an opportunity we can't pass up.

Thank you.

Sincerely,

Rick Birdwell PO Box 1043

Condon, MT 59826

Rick Birdwell

406-754-3137

December 26, 2008

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena, MT 59620-0801

Dear Governor Schweitzer.

I strongly support the Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

- The Montana Working Forests Project will maintain recreational access for hunters, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
- The Montana Working Forests Project will help to maintain forest industry jobs. Western Montana has a proud wood products history, but is currently facing serious economic uncertainty. Sustainable timber harvest on these lands will ensure sound stewardship of these lands for the future generations that work and play here.
- The Montana Working Forests Project will stem fragmentation of landscape from second-home rural development. Throughout the west we are losing intact landscapes to fragmentation caused by "backcountry sprawl." When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide public access, clean water, wildlife habitat, and wood products. The Montana Working Forests Project will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.
- The Montana Working Forest Project will slow the rapidly rising cost of fire suppression in rural landscapes. Montana taxpayers would be faced with higher fire fighting costs if the Montana Working Forests Project lands are sold on the open market and developed. A recent study by Headwaters Economics, funded by the Montana Fire Suppression Interim Committee, shows that 20,000 acres of lands within the Montana Working Forest Project were burned, or were within

one mile of three separate fires, in 2007. Had these lands been developed at the time – even at very low densities – the study predicts suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.

The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.

I view The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

Patricia Bouta

PO Box 1589 Seeley Lake, MT 59868 Buck Creek Guide Service P.O. Box 1340 Condon, MT 59826 406 754-2471 Quality Hunting Since 1978

December 1, 2008

Dear Governor Brian D. Schweitzer.

Buck Creek Guide Service, a Montana hunting and guide service since 1978, would like to express its strong support for The Montana Working Forests Project.

We have watched as more and more Plum Creek Timber Co. land gets sold off to real estate, fragmenting big game habitat, and ending access for sportsmen.

We are well acquainted with the acres being considered in the Seeley-Swan and know those acres to be a very smart investment for the state of Montana.

As private timberland owners ourselves, we are also hopeful that this project will protect our local mills and keep our lands profitable. Selling a few loads of logs per year make the difference for people like us and if we lose our milling infrastructure in western Montana, we ourselves may be pushed off our land.

In addition, we have watched as state coffers have been depleted by fighting fire in the Seeley-Swan, and we know first hand that those dollars are spent in large part to protect the ever spreading development in our valleys.

So for many reasons, as a family-owned rural business in Montana, we are supportive of this project.

Thank you for considering our views.

Thomas W. Parker (owner), Buck Creek Guide Service

Melanie, John and Kyra Parker

December 11, 2008

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena, MT 59620-0801

Dear Governor Schweitzer,

My husband and I moved to the Swan Valley in 1980, and love the land and lifestyle of this area.

We strongly support the Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

- The Montana Working Forests Project will maintain recreational access for hunters, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
- The Montana Working Forests Project will help to maintain forest industry jobs. Western Montana has a proud wood products history, but is currently facing serious economic uncertainty. Sustainable timber harvest on these lands will ensure sound stewardship of these lands for the future generations that work and play here.
- The Montana Working Forests Project will stem fragmentation of landscape from second-home rural development. Throughout the west we are losing intact landscapes to fragmentation caused by "backcountry sprawl." When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide public access, clean water, wildlife habitat, and wood products. The Montana Working Forests Project will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.
- The Montana Working Forest Project will slow the rapidly rising cost of fire suppression in rural landscapes. Montana taxpayers would be faced with higher fire fighting costs if the Montana Working Forests Project lands are sold on the open market and developed. A recent study by Headwaters Economics, funded by the Montana Fire Suppression

Interim Committee, shows that 20,000 acres of lands within the Montana Working Forest Project were burned, or were within one mile of three separate fires, in 2007. Had these lands been developed at the time – even at very low densities – the study predicts suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.

The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.

We view The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

Sheri M Burden

22141 Old Mill Rd

Swan Lake, MT 59911

December 8, 2008

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena MT 59620-0801

Dear Governor Schweitzer:

Maintaining a viable timber economy is important to me. Montana has a rare opportunity to acquire about 111,000 acres of timberland in Northwest Montana from Plum Creek Timber Co. In the Swan Valley, about 16,000 acres are available to add to the Swan River State Forest. Because of the moist climate, it is prime timber growing land. The forests are resilient, and the trees grow fast. The land can be restored and sustainably managed long into the future, supporting loggers, log truck drivers, mills, mill works and an emerging restoration workforce.

Please set aside the necessary funding to acquire these lands.

Thank you.

Sincerely,

Viola Grace Burgess 6458 Highway 83 N Condon, MT 59826 December 2008

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena MT 59620-0801

Dear Governor Schweitzer:

Maintaining a viable timber economy is important to me. Montana has a rare opportunity to acquire about 111,000 acres of timberland in Northwest Montana from Plum Creek Timber Co. In the Swan Valley, about 16,000 acres are available to add to the Swan River State Forest. Because of the moist climate, it is prime timber growing land. The forests are resilient, and the trees grow fast. The land can be restored and sustainably managed long into the future, supporting loggers, log truck drivers, mills, mill works and an emerging restoration workforce.

I am also concerned about wildlife habitat and public access. If the lands are sold to private developers, wildlife habitat will be lost, and fences and No Trespassing signs will go up, limiting our opportunities for hunting, fishing, snowmobiling and cross country skiing.

Please set aside the necessary funding to acquire these lands. It's a once in a lifetime opportunity

Thank you.

Sincerely,

Muke Wilds
Box 1105
Condon, Montana
59826

Dear Governor Brian D. Schweitzer,

I strongly support the Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

- The Montana Working Forests Project will maintain recreational access for hunters, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
- The Montana Working Forests Project will help to maintain forest industry jobs. Western Montana has a proud wood products history, but is currently facing serious economic uncertainty. Sustainable timber harvest on these lands will ensure sound stewardship of these lands for the future generations that work and play here.
- The Montana Working Forests Project will stem fragmentation of landscape from second-home rural development. Throughout the west we are losing intact landscapes to fragmentation caused by "backcountry sprawl." When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide public access, clean water, wildlife habitat, and wood products. The Montana Working Forests Project will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.
- The Montana Working Forest Project will slow the rapidly rising cost of fire suppression in rural landscapes. Montana taxpayers would be faced with higher fire fighting costs if the Montana Working Forests Project lands are sold on the open market and developed. A recent study by Headwaters Economics, funded by the Montana Fire Suppression Interim Committee, shows that 20,000 acres of lands within the Montana Working Forest Project were burned, or were within one mile of three separate fires, in 2007. Had these lands been developed at the time even at very low densities the study predicts suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.

The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.

I view The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

Paula Clarke

PO Box 1148

Condon, MT 59826

### Anne Dahl PO Box 1351 Condon, MT 59826

November 26, 2008

Montana Senate State Capitol PO Box 200500 Helena, MT 59620-0500

Honorable Montana Senators:

Please allocate funding for the 111,000 acres of Plum Creek Timber Co. lands available for state ownership. Acquiring these lands will contribute to the school trust fund and help bolster Montana's forest-based economy, including our timber and restoration industries. The acquisition may help prevent the further loss of mill infrastructure.

The Swan Valley may be the most productive timber growing land in Montana, particularly in the area of the Swan River State Forest, where the climate is moist and trees grow vigorously. Much of the future of Montana's woods products industry revolves around the forests of the North Swan Valley. More than 25 square miles of prime timberlands are available here for acquisition by Montana agencies. It is vitally important to acquire these lands.

I'm concerned about protecting wildlife habitat and water quality. Neither streams nor wideranging wildlife species are constrained by political boundaries. Both would be more effectively managed in a block of connected parcels rather than in separated properties as they currently are in the checker-boarded landscape of the Swan Valley.

As a hunter, I join all Montanans in valuing public access for hunting and fishing. If these Plum Creek Timber Co. lands are sold for second-home development or for other non-forest uses, fences and No Trespassing signs will go up, drastically limiting our ability to maintain a viable recreation economy.

Please take advantage of this remarkable opportunity and ensure that funds are available for the "Montana's Working Forests" component on the Montana Legacy Project.

Thank you.

Sincerely,

Anne Dahl

(huredall

December 05, 2008

Governor Schweitzer Montana Capitol Po Box 200801 Helena, MT 59620-0801

Dear Governor Brian D. Schweitzer,

I strongly support The Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

- The Montana Working Forests Project will maintain recreational access for hunters, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
- The Montana Working Forests Project will help to maintain forest industry jobs. Western Montana has a proud wood products history, but is currently facing serious economic uncertainty. Sustainable timber harvest on these lands will ensure sound stewardship of these lands for the future generations that work and play here.
- The Montana Working Forests Project will stem fragmentation of landscape from second-home rural development. Throughout the west we are losing intact landscapes to fragmentation caused by "backcountry sprawl." When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide public access, clean water, wildlife habitat, and wood products. The Montana Working Forests Project will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.
- The Montana Working Forest Project will slow the rapidly rising cost of fire suppression in rural landscapes. Montana taxpayers would be faced with higher fire fighting costs if the Montana Working Forests Project lands are sold on the open market and developed. A recent study by Headwaters Economics, funded by the Montana Fire Suppression Interim Committee, shows that 20,000 acres of lands within the Montana Working Forest Project were burned, or were within one mile of three separate fires, in 2007. Had these lands been developed at the time even at very low densities the study predicts

suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.

The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.

I view The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

December 05, 2008

Governor Schweitzer Montana Capitol Po Box 200801 Helena, MT 59620-0801

Dear Governor Brian D. Schweitzer.

I strongly support The Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

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I view The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

42213 Awy 83

Bigforle, MtT 59911

December 2008

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena MT 59620-0801

Dear Governor Schweitzer:

Like most Montanans I have benefited from Plum Creek Timber Company's open lands policy. Public access is important to me. We have a remarkable opportunity to maintain public access on about 111,000 acres of Plum Creek lands by acquiring them for State ownership. If these lands are subdivided for second homes, fences and No Trespassing signs will go up, limiting our opportunities for hunting, fishing, snowmobiling and cross country skiing.

I am also concerned about protecting wildlife habitat and maintaining a viable timber economy. If we can't protect these lands, habitat will be compromised and our timber economy will be further weakened.

Please set aside the necessary funding to acquire the Plum Creek lands available for the people of Montana. This is an opportunity we can't pass up.

Thank you.

Sincerely,

Dieme Eicsen
P.D. Box 1105
Condon, MT 59826

Honorable Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena, MT 59620-0801

Henry Fassnacht 1118 Creek Crossing Road Missoula, MT 59802 (406)721-5805

January 2, 2009

Dear Governor Brian D. Schweitzer,

I've been working in the wood products industry for 26 years and I support the State of Montana acquiring land through the Montana Working Forests Project.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

It is a sound financial investment for the people of Montana. Not only will it provide revenues from future timber harvest, it will provide indirect revenue from our recreation industries. Furthermore, I believe there are future markets which will require these lands as a basis for providing necessary resources. These include co-generation as well as markets and technologies which have yet to be developed.

Another consideration is that much of this land lies within the Wildland Urban Interface. It would be better to control the management of these lands than deal with the costs of structure protection because a different landowner may not be proactive with their fuels management.

The Montana Working Forests Project will help to maintain forest industry jobs. Sound stewardship of these lands by Montana now and far into the future will ensure they remain economically viable for the future generations that work here.

The Montana Working Forests Project will stem fragmentation of landscape from second-home rural development. Throughout the west we are losing intact landscapes to fragmentation caused by "backcountry sprawl." When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide - public access, clean water, wildlife habitat, and wood products. The Montana Working Forests Project will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.

The Montana Working Forests Project is a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Nowy Jaspa III

December 8, 2008

Governor Brian D. Schweitzer Montana Capital P.O. Box 200801 Helena, MT 59620-0801

Dear Governor Schweitzer,

We are proud of Montana's rich natural heritage. Unlike other states, we still have viable populations of nearly all the animal and plant species indigenous to the Northern Rockies. Some of the most critical habitat for rare plants and endangered wildlife, such as grizzly bears and bull trout, is on lands owned by Plum Creek Timber Company that are now available to the State of Montana. We have a rare chance to secure the long-term viability of our natural heritage by acquiring 111,000 acres of Plum Creek lands. It would be foolish to miss this extraordinary opportunity.

Like most Montanans we have benefited from the Plum Creek timber Company's open lands policy. The public access afforded by these lands is important to us. I also want Montana's timber economy to thrive. If we can't protect these lands, public access will be lost and our timber economy will be further weakened.

Please set aside the necessary funding to acquire the Plum Creek lands available for the people of Montana. This is an opportunity we can not pass up.

Sincerely,

Dwayne Forder Pam Forder P.O Box 1096 Condon, Montana 59826 December 2008

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena MT 59620-0801

Dear Governor Schweitzer:

I am proud of Montana's rich natural heritage. Unlike other states, we still have viable populations of nearly all the animal and plant species indigenous to the Northern Rockies. Some of the most critical habitat for rare plants and endangered wildlife, such as grizzly bears and bull trout, is on lands owned by Plum Creek Timber Co. that are now available to the State of Montana. We have a rare chance to secure the long-term viability of our natural heritage by acquiring 111,000 acres of Plum Creek lands. It would be foolish to miss this extraordinary opportunity.

Like most Montanans and other Northwesterners my wife and I have benefited from Plum Creek Timber Company's open lands policy. The public access afforded by these lands is important to us. We also want Montana's timber economy to thrive. If we can't protect these lands, public access will be lost and our timber economy will be further weakened.

Please set aside the necessary funding to acquire the Plum Creek lands available for the people of Montana. This is an opportunity we can't pass up

Thank you.

Sincerely,

3821 Wesare Win. Al. Moteon, ID 53843

Rubarl Feederick

December 6, 2008

Montana House of Representatives State Capital P.O. Box 200400 Helena, MT 59620-0400

RE: Endorsement of Montana's Working Forests Proposal

Included in the 312,000 acre Montana Legacy Project is 111,000 acres that would be converted into State ownership. (Montana's Working Forests)

Montana's Working Forests represents a once in a lifetime opportunity to protect our quality of life for all of Montana, now and for future generations.

As a resident of the Swan Valley in Northwestern Montana and a board member of the Swan Ecosystem Center, I ask for your support in making Montana's Working Forests a reality.

Sincerely:

Thomas W. Giles 8708 Lindbergh Lake Road Swan Valley, MT 59826 <u>trailsend@blackfoot.net</u> November 28, 2008

Montana House of Representatives State Capitol PO Box 200400 Helena, MT 59620-0400

Dear Representatives,

I have been a natural resource manager in the Swan Valley for over 32 years. Although I am now retired, I still care very much about the future of our forests, wildlife, fisheries, timber industries and rural lifestyle. I have continued to be involved in the future of our forests through the Swan Ecosystem Center. The Montana Working Forests Initiative is a tremendously exciting opportunity for Montana. It is good for Montanans, Montana's wildlife, Montana's timber industry, Montana's School Trust and Montana's rural lifestyle.

The Swan Valley has the highest productive habitat types found anywhere in the state. These habitat types are highly productive not only for growing trees, but also provide a unique diversity of wildlife habitats. The Swan River has the highest population density of bull trout found anywhere in the state. The Swan forest provides a diversity of habitats for species ranging from grizzly bears, bald eagles, Canadian lynx, wolverine, fisher, martin, bobcats, mountain lions, white-tailed deer, mule deer, elk and moose.

The checker board ownership pattern in the Swan Valley with State, Forest Service and Plum Creek Timber Company has contributed to fragmentation of the these habitats. Plum Creeks decision to divest of their lands further threatens habitat fragmentation, stability of the timber industry, public access, urban encroachment, cost of fire suppression and our rural lifestyle. The Montana Working Forest Initiative provides a unique opportunity to block up 25 square miles of Plum Creeks land intermingled in and around the Swan River State Forest under the management of the Montana Department of Natural Resources.

I strongly believe this is the right agency to manage these lands. The DNRC has consistently demonstrated a commitment to maintaining a sustainable timber harvest while maintaining water quality, healthy fisheries and a diversity of quality wildlife habitat. The additional timber base will substantially add to the financial return to Montana's School Trust Funds. It would contribute to stability to the local timber industry, guarantee continued public access. Acquisition of these Plum Creek lands substantially enhance the management efficiency and management effectiveness.

The Montana Working Forests Initiative is good for Montanans, good for Montana's wildlife, good for Montana's timber industry, good for Montana's School Trust, and good for Montana's rural lifestyle. The acquisition of the 111,000 acres of Plum Creek lands scattered along the Seeley/Swan, Fish Creek and the Potomac Valley by the State of Montana is good for Montana. And, the biggest bang for the buck is right here in the Swan Valley.

Sincerely,

Glen N. Gray

December 12, 2008

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena MT 59620-0801

Dear Governor Schweitzer:

As a third generation Montanan and 30 year resident of the Swan Valley I am writing to ask for your support in funding to acquire Plum Creek lands in the Swan Valley. I have spoken to you in person about this a couple years ago and appreciate your continued interest in this critical effort.

I am proud of Montana's rich natural heritage. Unlike other states, we still have viable populations of nearly all the animal and plant species indigenous to the Northern Rockies. Some of the most critical habitat for rare plants and endangered wildlife, such as grizzly bears and bull trout, is on lands owned by Plum Creek Timber Co. that are now available to the State of Montana. We have a rare chance to secure the long-term viability of our natural heritage by acquiring 111,000 acres of Plum Creek lands. It would be foolish to miss this extraordinary opportunity.

Like most Montanans I have benefited from Plum Creek Timber Company's open lands policy. The public access afforded by these lands is important to me. I also want Montana's timber economy to thrive. If we can't protect these lands, public access will be lost and our timber economy will be further weakened.

Please set aside the necessary funding to acquire the Plum Creek lands available for the people of Montana. This is an opportunity we can't pass up

Thank you.

Sincerely,

Kari Gunderson

Peter C Guynn Caroline C Guynn 929 S Gilpin St Denver Co 80209

Governor Brian D Schweitzer Montana Capitol PO Box 200801 Helena, Mt 59620-0801

Dear Governor Schweitzer,

We are writing you to urge support for the Montana Working Forest Project. We are part-time residents in the Swan Valley and plan to retire there so we are particularly familiar with the portion of the project dealing with the 16,000 acres in the Swan River State forest.

We have watched with concern over 20 years with the potential impact of real estate development on the rural lifestyle as well as the impact on scenic and wildlife resources in the Swan Valley. We have joined in the movement toward land conservation ourselves by contributing our 60 acres into permanent conservation easement and we have also helped land conservation groups with sizable financial contributions to pursue as well as purchase conservation easements in the Swan Valley. The advent of the greater Legacy Project this spring offers the best hope to date to preserve what is best in the Swan Valley.

We are particularly familiar with the Swan State Forest as we have hiked, camped and floated through it many times. It is rich in wildlife and the predator population such as the wolf and grizzly find few conflicts with human activities there.

The incorporation of all the Swan lands into one coherent whole will be the best measure to ensure the future viability of a sustainable timber industry while ensuring the preservation of the incredible scenic and wildlife resources we all enjoy in this great state.

Thank you for your support.

Peter C Guynn Caroline Guynn

Governor Schweitzer Montana Capitol Po Box 200801 Helena, MT 59620-0801

Dear Governor Brian D. Schweitzer,

I strongly support The Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

- The Montana Working Forests Project will maintain recreational access for hunters, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
- The Montana Working Forests Project will help to maintain forest industry jobs. Western Montana has a proud wood products history, but is currently facing serious economic uncertainty. Sustainable timber harvest on these lands will ensure sound stewardship of these lands for the future generations that work and play here.
- The Montana Working Forests Project will stem fragmentation of landscape from second-home rural development. Throughout the west we are losing intact landscapes to fragmentation caused by "backcountry sprawl." When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide public access, clean water, wildlife habitat, and wood products. The Montana Working Forests Project will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.
- The Montana Working Forest Project will slow the rapidly rising cost of fire suppression in rural landscapes. Montana taxpayers would be faced with higher fire fighting costs if the Montana Working Forests Project lands are sold on the open market and developed. A recent study by Headwaters Economics, funded by the Montana Fire Suppression Interim Committee, shows that 20,000 acres of lands within the Montana Working Forest Project were burned, or were within one mile of three separate fires, in 2007. Had these lands been developed at the time even at very low densities the study predicts

suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.

The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.

I view The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

Alleri Alerst

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CONDIN MIT 559826

Dear Governor Brian Schweitzer,

My name is Denny Iverson. I live in the Potomac Valley of the Blackfoot River watershed in Missoula County. I'm writing to you today to express my support for the Montana Working Forests Project and to urge you and the State Legislature to work toward securing funding for the DNRC to acquire close to 110,000 acres of the larger 310,000 acre Montana Legacy Project lands. Nearly 20,000 of the 110,000 acres face into the Potomac Valley.

As a rancher and a logger, I can't express strongly enough the importance of protecting these lands for timber production and summer grazing, not to mention the wildlife habitat it provides. I've logged on these lands and helped my neighbors gather cattle from them in the fall for the last 30 years. The Potomac Valley still has a viable ranching and logging economy that depends heavily on this landscape remaining intact. My future in the ranching business depends on this land remaining intact. The pressure of subdivision continues to take good working lands out of production in western Montana at an alarming rate. This is a grand opportunity to keep ranching and timber production part of the fabric of the western Montana lifestyle.

This project has been a dream of mine for along time. Through the leadership of The Nature Conservancy and the honorable Senator Max Baucas, it is close to becoming a reality. I hope I can add your name to the list of folks that will make it a reality for all the good people of Montana.

Thank you for your leadership as my governor (something I recognized at an FSA meeting in Helena about 100 years ago when you served on the State Committee and met with the county committees. I served on the Missoula County committee for 9 years.)

Sincerely, Denny Tyerson

32200 Slocum Ln. Potomac Mt. 59823

406-244-5439

Governor Schweitzer Montana Capitol Po Box 200801 Helena, MT 59620-0801

Dear Governor Brian D. Schweitzer,

I strongly support The Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

- The Montana Working Forests Project will maintain recreational access for hunters, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
- The Montana Working Forests Project will help to maintain forest industry jobs. Western Montana has a proud wood products history, but is currently facing serious economic uncertainty. Sustainable timber harvest on these lands will ensure sound stewardship of these lands for the future generations that work and play here.
- The Montana Working Forests Project will stem fragmentation of landscape from second-home rural development. Throughout the west we are losing intact landscapes to fragmentation caused by "backcountry sprawl." When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide public access, clean water, wildlife habitat, and wood products. The Montana Working Forests Project will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.
- The Montana Working Forest Project will slow the rapidly rising cost of fire suppression in rural landscapes. Montana taxpayers would be faced with higher fire fighting costs if the Montana Working Forests Project lands are sold on the open market and developed. A recent study by Headwaters Economics, funded by the Montana Fire Suppression Interim Committee, shows that 20,000 acres of lands within the Montana Working Forest Project were burned, or were within one mile of three separate fires, in 2007. Had these lands been developed at the time even at very low densities the study predicts

suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.

The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.

I view The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

Janut Jones Ronald 2 Pores 1697 Rumbho Greek Rd1 Condon, mT 59826

Governor Schweitzer Montana Capitol Po Box 200801 Helena, MT 59620-0801

Dear Governor Brian D. Schweitzer,

I strongly support The Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

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Mountable Land Super Do Box 1352 Conom Mt 59826

December 2008

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena MT 59620-0801

Dear Governor Schweitzer:

I am proud of Montana's rich natural heritage. Unlike other states, we still have viable populations of nearly all the animal and plant species indigenous to the Northern Rockies. Some of the most critical habitat for rare plants and endangered wildlife, such as grizzly bears and bull trout, is on lands owned by Plum Creek Timber Co. that are now available to the State of Montana. We have a rare chance to secure the long-term viability of our natural heritage by acquiring 111,000 acres of Plum Creek lands. It would be foolish to miss this extraordinary opportunity.

Like most Montanans I have benefited from Plum Creek Timber Company's open lands policy. The public access afforded by these lands is important to me. I also want Montana's timber economy to thrive. If we can't protect these lands, public access will be lost and our timber economy will be further weakened.

Please set aside the necessary funding to acquire the Plum Creek lands available for the people of Montana. This is an opportunity we can't pass up

Thank you.

Sincerely,

Kathy Koors PO Box 1043

Condon, MT 59826

Kathy Kers -

406-754-3137

Governor Schweitzer Montana Capitol Po Box 200801 Helena, MT 59620-0801

Dear Governor Brian D. Schweitzer,

I strongly support The Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

- The Montana Working Forests Project will maintain recreational access for hunters, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
- The Montana Working Forests Project will help to maintain forest industry jobs. Western Montana has a proud wood products history, but is currently facing serious economic uncertainty. Sustainable timber harvest on these lands will ensure sound stewardship of these lands for the future generations that work and play here.
- The Montana Working Forests Project will stem fragmentation of landscape from second-home rural development. Throughout the west we are losing intact landscapes to fragmentation caused by "backcountry sprawl." When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide public access, clean water, wildlife habitat, and wood products. The Montana Working Forests Project will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.
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■ The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.

I view The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

Bob Korn

Ruth Korn

344 KORN Lane

December 2008

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena MT 59620-0801

Dear Governor Schweitzer:

I am very proud of Montana's rich natural heritage. Unlike other states, Montana still has viable populations of nearly all the animal and plant species indigenous to the Northern Rockies, which is of utmost value to me. Some of the most critical habitat for rare plants and endangered wildlife, such as grizzly bears and bull trout, is on lands owned by Plum Creek Timber Co. that are now available to the State of Montana. We have a rare chance to secure the long-term viability of our natural heritage by acquiring 111,000 acres of Plum Creek lands. It would be a shame to miss this extraordinary opportunity to protect our quality of life.

Like most Montanans, I have benefited from Plum Creek Timber Company's open lands policy. The public access afforded by these lands is important to me. I also want Montana's timber economy to thrive. If we can't protect these lands, public access will be lost and our timber economy will be further weakened. If these lands are acquired, the potential for a restoration economy, future timber production, ecosystem management, and public recreation is enormous.

Please set aside the necessary funding to acquire the Plum Creek lands available for the people of Montana. This is an opportunity we can't pass up

Thank you.

Sincerely

Adam Lieberg 1200 Ed Road

Condon, MT, 59826

Governor Schweitzer Montana Capitol Po Box 200801 Helena, MT 59620-0801

Dear Governor Brian D. Schweitzer,

I strongly support The Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

- The Montana Working Forests Project will maintain recreational access for hunters, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
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suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.

The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.

I view The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

Pr. 4 175

Caredan, 777 29826

December 2008

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena, MT 59620-0801

Dear Governor Schweitzer,

I strongly support the Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

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lands been developed at the time – even at very low densities – the study predicts suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.

The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.

We view The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely.

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DAIL Meyer

Neil Meyer

41622 Solmon Proirie Pd

Swon Loke Mt 59911

Governor Schweitzer Montana Capitol Po Box 200801 Helena, MT 59620-0801

Dear Governor Brian D. Schweitzer,

I strongly support The Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

- The Montana Working Forests Project will maintain recreational access for hunters, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
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The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.

I view The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

Dennis Honson

Dennis Monson

Minh monson

December 8, 2008

Dear Governor Brian D. Schweitzer,

The Montana Trappers Association strongly supports The Montana Working Forests Project.

The Montana Trappers Association endorses The Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

- The Montana Working Forests Project will maintain recreational access for hunters, trappers, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
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The Montana Trappers Association views The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

Tom Barnes

President Montana Trappers Association

Governor Schweitzer Montana Capitol PO Box 200801 Helena, MT 59620-0801

Dear Governor Brian D. Schweitzer,

I strongly support The Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

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- The Montana Working Forests Project will maintain recreational access for hunters, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
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- The Montana Working Forests Project will stem fragmentation of landscape from second-home rural development. Throughout the west we are losing intact landscapes to fragmentation caused by "backcountry sprawl." When fragmentation of forestland occurs, the forest may cease to provide what a forest should provide public access, clean water, wildlife habitat, and wood products. The Montana Working Forests Project will reduce this fragmentation, which is essential to maintain western Montana's traditional quality of life.
- The Montana Working Forest Project will slow the rapidly rising cost of fire suppression in rural landscapes. Montana taxpayers would be faced with higher fire fighting costs if the Montana Working Forests Project lands are sold on the open market and developed. A recent study by Headwaters Economics, funded by the Montana Fire Suppression Interim Committee, shows that 20,000 acres of lands within the Montana Working Forest Project were burned, or were within one mile of three separate fires, in 2007. Had these

lands been developed at the time – even at very low densities – the study predicts suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.

The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.

I view The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

Bill Moore PO Box 977

Condon, MT 59826

Bett moon.

Governor Schweitzer Montana Capitol Po Box 200801 Helena, MT 59620-0801

Dear Governor Brian D. Schweitzer,

I strongly support The Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

- The Montana Working Forests Project will maintain recreational access for hunters, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
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Sincerely,

Now Nelson -5971 Highway 83 Condon, MT 59926

December 9, 2008

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena MT 59620-0801

Dear Governor Schweitzer:

I am proud of Montana's rich natural heritage. Unlike other states, we still have viable populations of nearly all the animal and plant species indigenous to the Northern Rockies. Some of the most critical habitat for rare plants and endangered wildlife, such as grizzly bears and bull trout, is on lands owned by Plum Creek Timber Co. that are now available to the State of Montana. We have a rare chance to secure the long-term viability of our natural heritage by acquiring 111,000 acres of Plum Creek lands. It would be foolish to miss this extraordinary opportunity.

Like most Montanans I have benefited from Plum Creek Timber Company's open lands policy. The public access afforded by these lands is important to me. I also want Montana's timber economy to thrive. If we can't protect these lands, public access will be lost and our timber economy will be further weakened.

Please set aside the necessary funding to acquire the Plum Creek lands available for the people of Montana. This is an opportunity we can't pass up

Thank you.

Jack P. Novosel

22/133 Old Mill Road

Swan Lake, MT 59911

December 9, 2008

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena, MT 59620-0801

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Dear Governor Schweitzer,

I strongly support the Montana Working Porests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Scoley-Swan, Fish Crock drainage, and Potomac area.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

The Montana Working Forests Project will maintain essential resource, conservation, social and economic values in western Montana.

- The Montana Working Forests Project will maintain recreational access for hunters, anglers, bikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
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- The Montana Working Forests Project will protect some of Montana's (and America's) most critical wildlife habitat. Habitat for grizzly bears, lynx, bull trout and other species will be conserved and protected through sound land management principles and policies.

I view The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

Susan Novosel

22133 Old Mill Road Swan Lake, MT 59911

Governor Schweitzer Montana Capitol Po Box 200801 Helena, MT 59620-0801

Dear Governor Brian D. Schweitzer,

I strongly support The Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

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Sincerely,

Marian Slaman

MARIAN SEAMAN 6080 Hwy 83 Condon, Mt 59826 December 11, 2008

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena, MT 59620-0801

Dear Governor Schweitzer,

I strongly support the Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

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I view The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

Susan J. Stanley 25830 Nine Mile Rd. Huson, Montana 59846 December 2008

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena MT 59620-0801

Dear Governor Schweitzer:

I am proud of Montana's rich natural heritage. Unlike other states, we still have viable populations of nearly all the animal and plant species indigenous to the Northern Rockies. Some of the most critical habitat for rare plants and endangered wildlife, such as grizzly bears and bull trout, is on lands owned by Plum Creek Timber Co. that are now available to the State of Montana. We have a rare chance to secure the long-term viability of our natural heritage by acquiring 111,000 acres of Plum Creek lands. It would be foolish to miss this extraordinary opportunity,

Like most Montanans I have benefited from Plum Creek Timber Company's open lands policy. The public access afforded by these lands is important to me. I also want Montana's timber economy to thrive. If we can't protect these lands, public access will be lost and our timber economy will be further weakened.

Please set aside the necessary funding to acquire the Plum Creek lands available for the people of Montana. This is an opportunity we can't pass up

Thank you.

Sincerely,

Roger Homes 1018 Remicks Rd. Condon, MT 59826

Richmond H. Thomason Box 1045 Condon MT 59826 December 6, 2008

overnor Brian D. Schweitzer ontana Capitol O Box 200801 elena MT 59620-0801

## ear Governor Schweitzer:

We are writing to urge you in the strongest terms to help to set aside the necessary nding to acquire the approximately 111,000 acres of Plum Creek lands located in the eley-Swan, Fish Creek drainage, and Potomac area.

We have lived in the Swan Valley for over 35 years, and are proud to see the leadership at has evolved here in planning for sustainable, multiple-use land usage. These days, very tle time and energy in our valley go into divisive wrangling. Long-term residents and tirees, sportsmen, nature lovers, and forest workers may disagree in some ways. But they n agree that the unique values of our valley are threatened, and that active management eps must be taken to preserve them for future generations, maintaining at the same time communing source of income for local residents.

This cooperation has resulted in many successful initiatives, including many private lorts, and most notably the Swan Ecosystem Center's partnership purchase of critical ands on Elk Creek, and the management plan that is emerging for this land.

The Montana State Forest and Department of Fish and Wildlife provide an additional urce of leadership and expertise for cooperative projects of this sort. But the State's ability properly manage their lands is greatly impeded by the checkerboard ownership pattern, nich forces a local approach to landscape-level management problems. With Plum Creek's ansformation into a real estate company, the threat of privatization and subdivision would eate a management disaster, not only in terms of fragmentation, but in the cost in habitat is and service needs—especially water usage and fire prevention needs.

December 9, 2008

Governor Brian D. Schweitzer Montana Capitol PO Box 200801 Helena MT 59620-0801

Dear Governor Schweitzer:

Like most Montanans we have benefited from Plum Creek Timber Company's open lands policy. Public access is important to me. We have a remarkable opportunity to maintain public access on about 111,000 acres of Plum Creek lands by acquiring them for State ownership. If these lands are subdivided for private development, fences and No Trespassing signs will go up, limiting our opportunities for hunting, fishing, snowmobiling and cross country skiing.

We are also concerned about protecting wildlife habitat and maintaining a viable timber economy. If we can't protect these lands, habitat will be compromised and our timber economy will be further weakened.

Please set aside the necessary funding to acquire the Plum Creek lands available for the people of Montana. This is an opportunity we can't pass up.

Thank you.

Sincerely,

Debbie Grahl and Roger Wade 19583 MT Hwy 83 Bigfork, MT 59911 December 8, 2008

Montana Senate State Capitol PO Box 200500 Helena, MT 59620-0500

## Honorable Montana Senators:

As an employee of Swan Ecosystem Center a local nonprofit in the Swan Valley, and as a full time resident of Condon, I am deeply concerned about the potential loss of a viable timber economy in Western Montana if the Plum Creek Timber Co. lands available for purchase are sold for second-home development or for other non-forest uses. Rural communities are fast-disappearing, and it is my opinion that we need to do everything we can to keep this way of life intact. Without intact forests for recreation, conservation, and local employment, Montana will lose its soul.

The Swan Valley may be the most productive timber growing land in Montana. Much of the future of Montana's woods products industry revolves around the forests of the North Swan Valley. More than 25 square miles of prime timberlands are available here for acquisition by Montana agencies, with a total of 111,000 acres available statewide. We have a rare opportunity to bolster Montana's timber economy and contribute to the school trust fund by purchasing these Plum Creek Timber Co. lands.

I am also concerned about protecting water quality and wildlife habitat for the diversity of species dependent on the Swan Valley, including grizzly bears and bull trout on the endangered species list. Neither streams nor wide-ranging wildlife species are constrained by political boundaries. Both would be more effectively managed in a block of connected parcels rather than in separated properties as they currently are in this checker-boarded landscape.

Public access for traditional hunting and fishing is dear to thousands of Montanans. Once the lands are converted for to non-timber uses, fences and No Trespassing signs will go up. I urge you to take advantage of this remarkable opportunity and ensure that adequate funds are available for the "Montana's Working Forests" component on the Montana Legacy Project. Thank you very much for taking the time to consider this very important decision. Please hel;p us to keep our ecosystem intact.

Sincerely,

Liza Ward

Governor Schweitzer Montana Capitol Po Box 200801 Helena, MT 59620-0801

Dear Governor Brian D. Schweitzer,

I strongly support The Montana Working Forests Project. A part of a larger 310,000-acre Plum Creek acquisition, the Montana Working Forest Project has a goal of transferring approximately 111,000 acres to the State of Montana. These working forest lands are located in the Seeley-Swan, Fish Creek drainage, and Potomac area.

The Montana Working Forests Project represents a once-in-a-lifetime opportunity to protect the quality of life in western Montana and to maintain the core values that make western Montana such a special place.

- The Montana Working Forests Project will maintain recreational access for hunters, anglers, hikers, snowmobilers and other uses. Access to these lands could ultimately be in jeopardy unless the Montana Working Forests Project is successful.
- The Montana Working Forests Project will help to maintain forest industry jobs. Western Montana has a proud wood products history, but is currently facing serious economic uncertainty. Sustainable timber harvest on these lands will ensure sound stewardship of these lands for the future generations that work and play here.
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suppression costs for these fires would have been \$13 million more. Reducing the costs of fire and the risk to firefighters is in the interest of all Montanans.

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I view The Montana Working Forests Project as a remarkable opportunity to help conserve not only an important landscape, but a way of life in western Montana.

Sincerely,

Thony few Wilhelm 3900 GALWAY AVE #200 MISSOULA 59808